FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Europe

FBIS-EEU-93-018
Friday
[illegible] January 1993

Daily Report
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FBIS-EEU-93-018 *29 January 1993*

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Owen Says UN Must Enforce Peace Package

AU2801125593 Hamburg ARD Television Network in German 2055 GMT 27 Jan 92

[Interview with EC negotiator Lord Owen in Geneva by Sigmund Gottlieb in Hamburg; Owen statements in English with superimposed German translation—live]

[Text] [Gottlieb] Good evening, Mr. Owen. Thank you for granting me this interview. Are you frustrated at the recent developments in Croatia?

[Owen] Do I feel frustrated? Yes, of course. We are facing an extraordinary development in Croatia, which is naturally damaging for any peace settlement in Bosnia-Hercegovina, and another serious war might develop between Croatia and Serbia. I hope that this will not happen.

[Gottlieb] Do you think that your peace mission has failed because of the Croatian offensive in Krajina?

[Owen] No, I do not think so. The need for a settlement in Bosnia is even greater as a result of what is now happening in Croatia. There is the danger that the heavy weapons that were removed from the controlled depots in various parts of Croatia may be used by the Serbs in Croatia to mount an offensive against the Croats. In fact, this is already happening tonight. The fighting might spread. The territories protected by the United Nations might also get involved. It would be particularly bad if the fighting spread to the east, to the border between Croatia and Serbia.

[Gottlieb] Mr. Owen, what is this alleged progress in Geneva worth if nobody observes the agreements that are being concluded?

[Owen] Well, that is the big problem. The parties to the conflict have repeatedly agreed to cease-fires without observing them. What we are doing in Geneva is developing a comprehensive package covering constitutional principles and a map. We will submit another document concerning an interim government before the adoption of a constitution and before any elections. We will probably have to address the Security Council, present this package, and ask it to make a decision. I do not think that we will be able to solve the problem partially, but there must be an overall solution.

Then one must face the realities and either accept them or not. If the Security Council agrees to the package, it must adopt sanctions to realize it. It might even threaten military intervention.

[Gottlieb] You and Cyrus Vance are being accused of taking into account the situation created by the aggression in Bosnia, thus accepting a fait accompli. What is your view?

[Owen] If you look at the map, you see that we expect the Serbian armed forces to move back from their front lines by 24 percent. This is quite a lot for an army that has not been defeated. I think one might also criticize that as asking too much. If you say that we have accepted ethnic cleansing, this is absolutely wrong. In Bihac, where a great deal of ethnic cleansing has taken place, we demand that the Serbian armed forces withdraw from 62 percent of Bihac where they drove away the Muslims. This is really a sizable withdrawal for an army that has not been defeated. I do not believe that such a withdrawal has ever been accepted at a negotiating table except when a war was lost. If anybody has a better plan, he should submit it. As far as ethnic cleansing and its reversal are concerned, we have very strict human rights regulations. We have ombudsmen for the different ethnic groups to help them regain land that has been captured. Various renunciations that were forced upon people will be declared null and void, and I can only tell you that ethic cleansing must be reversed in the long run. This will take time. It will also be difficult to convince Muslims and Croatians to return to regions from which they were driven by terrorism.

[Gottlieb] Mr. Owen, when will the point come for you personally when you will say that this war can no longer be ended through diplomatic mechanisms?

[Owen] I think it is coming close. As I already pointed out, I would like to present a really fair package. One cannot do more. There is no innocence at all. Every side has committed terrible acts. There is no doubt that the Serbs are the worst aggressors. I believe that this package will be fair to all three nations—the Serbs, the Croats, and, above all, the Muslims. If the Security Council decides to support it, it has to assume responsibility. In that case it should be prepared to enforce it. There is no point in not implementing anything. A solution is required. What would the lifting of the weapons embargo do? It would only increase the violence. If one supplied weapons to the Muslims—and the Croats, of course, because they would arrive through Croatia—the CIS and other states would continue to sell arms to the Serbs. Thus, the fighting would continue. If one is really serious, one needs a plan, a solution, and a package. This must be enforced—first through economic sanctions, through political isolation, and, if necessary, by threatening the use of force. One could intervene with air power, for example. I do not believe that it is necessary to use ground troops. I do not see a single western nation—the United States, France, or Great Britain—that would be ready to send ground troops to Yugoslavia.

Foreign Ministry Refutes Greek Statement

LD2801151293 Tirana ATA in English 0915 GMT 28 Jan 93

[Text] Tirana, January 28 (ATA)—Recently, the Ministry of Foreign Affairs of Greece published a statement wanting to make the Albanian parliament draft the law on the relations of the state with the church in Albania. Since this irresponsible statement is accompanied with some diplomatic actions of the Greek Government, which run totally counter to the international norms, the Foreign Ministry of Albania deems it necessary to refute the statement and these actions valuing them as an interference in the home affairs of Albania.

Generally speaking the drafting of laws and especially the one on the relations of the state with the churches in particular, is an exclusive right of the Albanian parliament and no one else has the right to interfere or impose anything in this direction. Although this law is not yet discussed by the parliament, the Foreign Ministry of Greece and the Greek Government are granting themselves the right to submit the conditions on how this law should be, an action which is inconceivable for a democratic [word indistinct].

The government in the Republic of Albania has applied and applies all the demands and norms of the international juridical acts in drafting the laws of the new Albanian democratic state and for this it has a broad reputation in the civilized world. But observation of democracy does not mean that it will tolerate infringes of the sovereignty of the Albanian parliament or people.

Minorities in Albania actually enjoy all the rights according to the act of Helsinki and other international documents. The law on religion has not [words indistinct] with the rights of national minorities or with any religion. It has to do with all confessions in Albania, which live in full harmony in our country.

The statement of the Foreign Ministry of Greece expresses old [words indistinct] nostalgia, which we would like to have been overcome in Athens. At the same time, we would like to stress that the old and peaceful relations between our two countries, which wish to intensify, be in the interest of both parties and our two peoples.

Berisha, IMF Leader Sign 2d Reform Agreement

AU2701145193 Tirana ATA in English 0916 GMT 27 Jan 93

[Text] Tirana, January 27 (ATA)—The leader of the IMF mission on Albania, Mr. Marcus Rodlayer, and other missionaries came to Albania several days before it was envisaged, because the IMF considers the steps Albania has made in the field of the economic reform as convincing achievements to sign another program between this government and the IMF for the second stage, which presupposes the stability of the economy.

The President of the Republic Sali Berisha, in the reception organized on this occasion, after expressing his thanks for the aid the IMF has given to the beginning and during the course of the economic reform in Albania, asked from the IMF representative an understanding and aid for pensions, which president considered as very low. Another demand was an aid from the IMF for the working people on social assistance and the need to employ them again. The 40-hour week was another problem discussed in the meeting. They stressed that this step will not influence in lowering the production because its rates will be maintained by the exploitation of the eight hours period at work.

Mr. Marcus Rodlayer thanked the Albanian Government and people for the understanding, accepting the difficulties of the reform and realising that this is the only road towards welfare and progress. He valued the reform during the last six months as successful and that it opens the way to the realisation of the reform in its second stage. Albania will always have the support of the IMF and other international organizations, Mr. Rodlayer said.

On the same day, the IMF missionaries had a special meeting with the Premier Aleksander Meksi, the Minister of Economy and Finances Genc Ruli, and the Governor of the Bank of Albania Ilir Hoti, who signed the agreement on the second stage of the program of the reform between Albania and the IMF. After the agreement on the second stage of the economic reform was signed, President Berisha stated:

We have just signed the letter of understanding and are embarking on the second stage of the reform. I am very grateful to IMF and all the international institutions, which helped Albania overcome this reform. But I am also grateful to the Albanian citizens who, through their great courage and nobility, are coping with the painful reform, which will provide Albania with the desired future.

While Marcus Rodlayer said on his part:

We have come here to meet with your government to see the progress made in your programme. We all know that last August the Albanian Government started the programme of the economic reform, through the IMF aid. Our mission has two main purposes: To see the progress made in your programme and the results attained over the first half of the programme which includes the second half of 1992.

The second aim is to agree with the Albanian Government on a new program for 1993 taking into consideration the politics to be applied in the future and to see which are the necessary reforms to continue the reform in general in Albania on the right track. Further on Mr. Rodlayer was optimistic for the hitherto work of the government in regard to the reform. We would also like to say, he said, that the conditions for the beginning of the reform in Albania are exceptionally difficult. But we may surely say that there is a success attained towards

the lowering of tension. The Albanian Government has been successful beyond our expectations keeping the budget under control. The bank system has been able to control the money supplies which is the key to keep inflation under control. He also said that the first important steps in the structural reform have a good start. In conclusion Mr. Rodlayer stressed that the IMF will be satisfied to continue to support the plans of the Albanian Government.

Deputies Approve Agenda, New Law

AU2701182093 Tirana ATA in English 0931 GMT 27 Jan 93

[Text] Tirana, January 27 (ATA)—At the beginning of January 27 sitting of the People's Assembly, Tomorr Malasi, deputy chairman of the Presidency reported that the Presidency of the Assembly, together with the presidencies of the parliamentary groups, unanimously defined the draft-programme for the two week period, which includes among other things the examination of the draft-laws on the religious communities and organisations, bank credits, amendments, and other supplements, the request for interpellation with the chairman of the Council of Ministers, the request to ask the government about the end of the schedule of social assistance for several strata of the population, etc.

The deputies discussed about all these, made different suggestions and proposals, and brought in the worries of the electorate they represent. After voting the work program for the two week period, the Assembly passed onto the discussion of the Law on the Creation of the Commission to Reexamine the Licences to Exercise Advocacy, which the President of the Republic Sali Berisha has sent back for reexamination to the People's Assembly.

During the discussion in principle H. Shamata, on behalf of the parliamentary group of the Democratic Party, and T. Laco, on behalf of the Social Democratic Party expressed themselves in favour of this draft-law, whereas the deputy F. Abdiu said that the socialist group is of the opinion that this law is anticonstitutional, because it runs counter to the main constitutional provisions. He expressed himself against it and brought in juridical arguments for the examination of the law in its entirety. Mr. Hajdari, chairman of the Parliamentary Commission on Defence, Public Order, and the National Informative Service, considered as just the president's sending back to the parliament of this law, saying that this is a cooperation between the president of the republic and the parliament. Following the approval in principle of the draft-law, the deputies voted for its entire examination. During the discussion article per article, among the deputies of the Democratic Party, Socialist Party, and Social Democratic Party parliamentary groups, there were many debates.

By a majority of votes, the Assembly approved the suggestions made by the president, allowing to exercise advocacy also those who have worked in the diplomacy of the PLA [Party of Labor of Albania] time and those who have graduated from the Faculty of Law on the basis of the education of the former higher school of the Internal Ministry. The draft-law was also added another article, which allows those who are deprived of the right to exercise advocacy to complain within 30 days. The deputes voted the draft-law article per article and in its entirety. In the end the Socialist Party deputy Caka said once again that this law runs counter to the main constitutional provisions.

In the afternoon the Assembly continued proceedings in parliamentary groups and commissions. The sitting will reopen before noon.

Democrats, Social Democrats Discuss Situation

AU2801141693 Tirana ATA in English 1121 GMT 28 Jan 93

[Text] Tirana, January 28 (ATA)—A meeting between representatives of the DP [Democratic Party], Mr. Dosti and Mr. Toto, and representatives of the SDP [Social Democratic Party], Mr. Gjinushi, Mr. Milo, and Mr. Aliko was organized recently in the seat of the DP, the Press and Information Office of the Democratic Party reports. The participants in the meeting talked on the economic and political situation in Albania. Representatives of the Democratic Party underlined the stand of the DP to create in new forms the coalition with the SDP, by maintaining their individuality. They demanded that the political stand of the SDP to the reform and the democratic government should be made public.

In the name of the SDP, Mr. Gjinushi brought to the fore the positive results of the alliance of the parties in the local power and demanded that this alliance should be realized at higher levels as well. Voicing the stand of the SDP, he stressed that his party supports the government and the reform in general.

The report of the Press and Information Office of the DP says that both parties upheld the same view on the idea of political stability, so necessary for Albania.

Security Council Decision on Embargo Criticized

AU2901132593 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 29 Jan 93

[Commentary by Martin Minkov]

[Text] I cannot remember the last time that Bulgaria's name was mentioned in a UN Security Council document, but I do remember very well that it did not happen when the announcement was made on the losses, in excess of $1 billion, incurred by our already overwhelmed economy as a result of Bulgaria's strict observance of the international sanctions imposed on Serbia and Montenegro.

The declaration that the UN Security Council issued late last night demands that the Bulgarian and Romanian UN representatives provide explanations as to why their governments failed to take measures to stop the violations of the embargo. It is clear as the light of day that the meaning of the declaration is rather different, namely why military measures have not been taken to stop the Serbian barges with their cargoes of petroleum, because other measures have in fact been taken. This was established two days ago by international observers near Ruse and Giurgiu, and is further confirmed by the report that my colleague Minkova has just read.

The UN Security Council has asked the question, and the guilty party or parties have been identified, namely Sofia and Bucharest. Accordingly, the Security Council has completed its job, and a fine piece of work it is at that. The only problem is that the Serbian convoys have not come down from outer space into the Danube international channel between Bulgaria and Romania. They come from somewhere else, a place where they were loaded with their cargoes in gross violation of the embargo. It is clear that this place is Ukraine. The authorities in Kiev, however, are only now carrying out an investigation and are supposed to respond later.

When they leave Ukrainian territorial waters, the Serbian convoys enter a section of the Danube that is totally under Romanian control, stretching from Galati and Braila to Calarasi and Silistra. Accordingly, the question is: Why were the vessels not stopped there? Information is available that the Romanian authorities have reached an agreement with the Bulgarian authorities determining that the Vidin-Calafat area should be the place to block the Danube. There is no need to be a specialist in geography to realize that this is the last opportunity to stop the convoy before it passes through the Iron Gates and enters Serbian waters. A very cunning decision. Bucharest maintains the position that it should share the responsibility with Sofia. Never mind, this is understandable.

What we do not understand, however, is why those who are responsible for stopping the Balkan butchery to the west of Bulgaria have been incapable of doing so for more than a year, yet now they expect two countries directly bordering the former Yugoslavia, namely Bulgaria and Romania, to use armed force to enforce the embargo. Discussions have been going on for months on imposing a no-fly zone in Bosnia-Hercegovina, but nothing has been done. Why? Because the blue helmets have well-founded fears of revenge countermeasures by Serbia. Now the international peacekeeping forces deployed in Krajina have started to withdraw from the very places where fighting is going on at the moment. They expect us, however, to use military force to stop the convoys. What about possible Serbian countermeasures? Or are such countermeasures only of importance when they threaten citizens of the mighty civilized and democratic world?

If one considers this factor, one thing is obvious to me: What are the guarantees that Bulgaria can rely on, apart from good wishes and possible pats on the back? To receive these congratulations, the $1.2 billion that we have lost to date is apparently insufficient. An effective gesture is required, such as opening fire on the Serbian convoys arrogantly sailing past our banks of the Danube. Is it necessary to remind ourselves that such an act may provoke an extension of the Yugoslav conflict beyond its present borders? Evidently, no one can think of a way to stop the conflict at the moment. What, however, will happen if the neighbors of the former Yugoslavia are drawn into it?

A further point is that Sofia and Bucharest are being asked questions that are almost tantamount to accusing them of breaching the embargo. At the same time, the president of the Serbian-Montenegrin Yugoslavia, which has been placed in international isolation, is welcomed in the capital of an EC member country. Yet influential political circles in Athens have declared on the pages of the pro-government daily I KATHIMERINI that Belgrade is allegedly a stabilizing factor in the southeast section of the Balkans. Is there then any consensus in the EC policy? If not, what prevents the EC from recognizing Macedonia? If consensus exists, what does the warm reception accorded Mr. Cosic in Athens mean? Or maybe consensus is only evident when it is necessary to make claims against others, such as asking Bulgaria or Romania to open fire. If some members of the EC, or perhaps Greece alone, believe that Belgrade is a stabilizing factor, does this mean that Sofia must become a destabilizing factor by using military force against the convoys? As far as Belgrade is concerned, it is good to recall that regimes come and go, even communist ones that formerly were believed to last forever. Their states and peoples remain. Serbia is 60 kilometers north of Sofia, but several thousand kilometers from Brussels and New York.

Latest Movements of Serbian Convoys Reported

AU2901110793 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 29 Jan 93

[Text] Here is the latest news we have just received on the convoys of Serbian oil tanker barges on the Danube, which have created a critical situation.

The tug Velebit and five barges passed Vidin at 0400 today and is now in Serbian territorial waters. The captain failed to respond to signals from the border patrol cutter.

The next tug, the Kaimakcalan, and 10 barges, was seen at 0800 at kilometer 673 below Oryakhovo. The vessel Kumanovo, with eight barges, was at kilometer 665 above Oryakhovo. The three barge groups apparently prefer to sail past the three large Bulgarian river ports at night.

ITAR-TASS describes in detail the efforts by the Bulgarian and Romanian border and customs authorities to detain the Velebit in accordance with the UN embargo against Serbia and Montenegro.

As is already known, late last night the UN Security Council issued an appeal for efforts to stop the breaches of the sanctions against the former Yugoslavia. The Security Council declaration on the passage of Serbian tanker convoys along the Danube calls on Ukraine to suspend delivery of petroleum supplies to the Serbian vessels. It was also announced that the Bulgarian and Romanian UN representatives were asked to explain why their governments had failed to take measures to stop the vessels breaching the embargo on the Danube.

Berov, Western Envoys Discuss Embargo Enforcement

AU2801175093 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 28 Jan 93

[Telephone report by Mariya Tsankova from Council of Ministers building in Sofia—live]

[Text] Approximately 40 minutes ago, Prime Minister Lyuben Berov concluded a meeting with U.S. Ambassador Hugh Kenneth Hill; Danish Ambassador Klaus Otto Kappel, representative of the country that chairs the EC at the moment; and Leslie Buchanan, charge d'affaires ad interim of the British Embassy.

Ambassador Hill declared that the sanctions under UN Resolution 787 supersede our obligations under the Danube Convention, and that the U.S. Government would like the embargo to be effectively observed. He recalled that two months ago the United States offered technical assistance to Bulgaria, and said that in the port of Baltimore there are presently three patrol launches that could be used to check all vessels on the Danube. The U.S. Government has granted $25,000 for the purchase of communications equipment. Ambassador Hill's personal view is that it is undesirable to open fire in such a situation.

Mr. Buchanan said that Bulgaria should do everything possible to ensure that its efforts to enforce the embargo are clearly seen in the EC. He added that Bulgaria's behavior and its high visibility in Europe are important at this moment, when the EC is already aware of our losses from the embargo and is considering ways of compensating us for them.

Mr. Kappel said that the short time in which the recent events had developed had not given the 12 EC members the chance to draft joint decisions. He said that Denmark's view is that one should not apply pressure solely to Romania and Bulgaria, but also to Ukraine, and that this is the sense in which Denmark, as the country now chairing the EC, will approach the reaching of a decision.

Prime Minister Lyuben Berov assured the envoys that Bulgaria is highly interested in an end to the war in Bosnia-Hercegovina and will do everything possible to stop the Serbian vessels in appropriate circumstances. At the time of the very first incident, Mr. Berov sought and established contact with the U.S., Serbian, and Romanian ambassadors. He said that none of them expressed a view on the use of armed force, or assumed any such responsibility. The Bulgarian prime minister politely suggested that if it was considered necessary, blue helmets should be sent to the region. The Bulgarian side declared that it would do everything possible to carry out its tasks.

In conclusion, Mr. Berov stressed that we would support all actions by the Romanian authorities on the Danube on the basis of correct and proper cooperation. At the same time, he expressed the view that if other countries did not load petroleum onto vessels for Serbia, then the problem would not exist. Mr. Berov also asked the three diplomatic representatives a question: Were they of the opinion that the visit of Prime Minister Dobrica Cosic to Greece breached the rules of fair play, inasmuch as Greece is a member of the EC?

Berov, Legislators Discuss Danube Incidents

AU2801174493 Sofia BTA in English 1714 GMT 28 Jan 93

[Text] Sofia, January 28 (BTA)—At a closed sitting today, the National Assembly committees on national security and on foreign policy and Prime Minister Lyuben Berov discussed the Yugoslav crisis and incidents on the Danube River with ships suspected of breaking the UN embargo on former Yugoslavia.

"I hope that the MP's [members of parliament] realized that the government is pursuing a reasonable foreign policy," Prof. Berov, who attended the meeting in his capacity of foreign minister, said. "Bulgaria and Romania have no differences as to observing the embargo. This country has done its best to implement the sanctions," Mr. Berov said. "In case the Romanian authorities decide to sink a tanker, the Bulgarian side would support them," he said, doubting, however, that Romania will resort to such measures. "It is somewhat strange that everyone says they are concerned about incidents on the Danube, yet no one takes serious action on an international scale," Mr. Berov said.

The MP's of the Union of Democratic Forces Ivan Kurtev and Asparukh Panov said they were not pleased with their meeting with the prime minister. Mr. Kurtev said the cabinet lacked a clear vision or perhaps the opportunity to deal with the issues he raised, but did not specify what issues he had in mind. Mr. Panov declined to specify why he was not satisfied with the meeting.

"We have to be very moderate and I cannot but feel pleased with the cabinet's stand," Mehmed Hodja MP of the ethnic Turks's Movement for Rights and Freedoms said. "The situation in the Balkans should be assessed objectively. We have to take into account that the war is raging just several hundred kilometres from us," he stressed. Mr. Hodja said he approved of the government's foreign policy and its moderately insistent handling of Serbian tankers, which, according to his sources, were not sailing in Bulgarian waters.

Miroslav Durmov MP of the coalition led by the Bulgarian Socialist Party sees the cabinet's foreign policy as realistic. He approves of the authorities' stand on incidents on the Danube.

Bulgaria's permanent representative at the UN last night sent two official letters to the UN Security Council chairman, a Foreign Ministry spokesperson reported. The letters state the Bulgarian cabinet's stand on the violations of the UN Security Council embargo on Serbia and Montenegro by Serbian ships sailing along the Bulgarian-Romanian section of the Danube. Bulgaria is strictly implementing the UN Security Council resolutions on Serbia and Montenegro. It is fulfilling obligations to stop ships on the Danube to check their cargo and final destination, the letters say.

In doing so, the Bulgarian authorities are acting in compliance with UN Security Council Resolution 787, which allows them to take into account the specific circumstances, the letters say.

One of the letters to the UN Security Council chairman states the following arguments to justify the actions of the Bulgarian authorities:

As an international waterway, the common (Bulgarian-Romanian) sector of the Danube has a special international legal status envisaging freedom of navigation.

The Bihac sailed along the fairway (the border between Bulgaria and Romania). This means it was only jointly that Bulgaria and Romania could detain the ship. It was practically impossible for Bulgaria or Romania to detain the barge train without entering the territorial waters of the other side.

The captain of the Bihac could have fulfilled his threat to blow up the ship or spill oil into the Danube, which would have caused an environmental catastrophe with lasting consequences for the Danube and the Black Sea.

The Bulgarian authorities conducted an inquiry which showed that no Bulgarian companies had taken part in the loading or shipment of fuels under embargo. No Bulgarian customs house had received a request to clear the fuels and no Bulgarian Danubian port has the needed equipment to unload them.

At 0530 hrs today the Serb tugboat Kumanovo with twelve barges sailed past the Bulgarian port of Ruse on the Danube, the BTA correspondent in Ruse reports. The competent authorities tried in vain to get through to the ship on the radio for thirty minutes. Visibility was poor this morning, but, according to shipping inspectors, the barge train was sailing with lights on and in keeping with navigation rules.

New Minister on 'Disastrous' State of Agriculture

AU2701211393 Sofia ANTENI in Bulgarian No. 3, 20 Jan 93 p 8

[Interview with Georgi Tanev, minister of agriculture, development, and use of land, by Rumyana Penkova; place and date not given: "A New Chance or a New Bluff for Agriculture?"]

[Text] [Penkova] Mr. Tanev, you are not a newcomer to higher administration. Hence, you are aware of what has been going on in the agricultural sector for the last year....

[Tanev] Frankly speaking, the state of agriculture is disastrous. Today I am really distressed about the situation. I left my post only seven or eight months ago, because I tried to preserve agriculture from the disaster. Nevertheless, the deterioration has gone so far that even I am surprised. A policy of Thatcherism that amounts to the total withdrawal of the state from agricultural affairs was promoted over that period. This is a childish method of thought and action. People whose only professional experience amounts to semiprivate law practice can hardly be expected to do the right things.

[Penkova] Can you describe the basic factors are responsible for the disastrous crisis in agriculture?

[Tanev] I should point out in the first place that a real struggle was waged to destroy agriculture and its resources. It was an intentional policy with the sole purpose of destroying the Labor Cooperative Agricultural Farms [TKZS], but without any clear idea about the results. As a matter of fact, a destroyed and agonizing cooperative farm system is ruining our entire economy.

In addition to this, the lack of funds and the restriction of subsidies for agriculture which were spent for unknown purposes in extrabudgetary accounts, obstructed the reform. On the other hand, sufficient funds—namely 250 million leva—for land distribution were available, but for unknown reasons they were not used.

[Penkova] You have ample information on the state of animal breeding, and all Bulgaria knows what is happening in that sector, as a matter of fact....

[Tanev] The former government literally declared war on animal husbandry; even breeding animals were not exempt. Entire races of animals have been extinct, while others are about to disappear. Over 46,000 cows were slaughtered o. exported abroad, half of them pregnant, within a year. Over 20,000 million birds, over 4 million sheep, and 300,000 pigs have been slaughtered or annihilated.

[Penkova] You should not omit the contribution of the liquidation councils who distinguished themselves by their special zeal. Nothing else could have been expected from civil servants forcibly infiltrated in the agricultural farms. Their very name—liquidators—was a bad omen.

[Tanev] As a matter of fact, the elimination of the liquidation councils is a necessity. They turned into new TKZS administrators—most of them are people without professional training who found a way to avoid unemployment. They are happy in their comfortable jobs and are trying to keep their jobs for as long as possible, but they shall be dismissed by March 1993. We should perhaps better turn to the village population and ask the peasants who should be their bosses.

Rumors were spread around the villages that I am allegedly trying to restore the TKZS. This is nonsense. Peasants make their accounts without the help of computers, but so much the better, because they have their feet solidly planted on the ground.

[Penkova] How do you intend to stop the pillaging of farm property?

[Tanev] By administrative methods, unfortunately. There is no other way.

[Penkova] Food prices are further increasing, while production is diminishing. How far are things expected to go?

[Tanev] I do not want to frighten anyone, but the people who led us nowhere have quite a few unpleasant surprises in store for us. Despite the fact that the fields were not fertilized for the last two years, the grain harvest was fairly good. Nevertheless, it is not likely to be sufficient. This is the result of disruptions in the chain of purchase-export-export taxes, and so forth. We are now about to import bread grain. The final data are not available as yet, but the bread balance has been disrupted. There is not enough fodder grain, either—do not ask me why.

Milk and meat prices are also likely to increase.

[Penkova] Nevertheless, what will happen to the restoration of land ownership? The owners are waiting for the restitution of their land, while production cannot be restored without land.

[Tanev] The Land Act was conceived in such a way as to provide that the land should be restored to its owners. We hoped that we might restore the major part of the land, namely at least 95 percent, within the next three months. Despite the chaotic conditions we are confronted with, we promise that over 50 percent of the land will be restored by the end of 1993. When I promised shorter deadlines, I did so for my own sake to stimulate my own efforts in accelerating the processes. We will use the services of geodesic units from the Army, and we expect enterprises where such departments exist to assist us.

[Penkova] The Bulgarian peasant has always been harassed by incompetent people. One of the latest methods of harassing the village population today is the ban on establishing and registering cooperatives.

[Tanev] I think that the arrogant and disparaging approach to agriculture that prevailed among the ruling gentlemen lawyers is responsible for this state of affairs. I do not know why they decided to restore land ownership with the help of incompetent people believing that they would successfully accomplish their task.

Whoever thinks that the revival of agricultural production on a mass scale is possible without the establishment of cooperatives, can hardly be described as an intelligent person. Landowners should be allowed to register any cooperatives they want. It is up to the rural population to decide what kind of cooperatives they would like to have. Whatever they decide to create, we should not destroy it.

Cooperatives can be established at this point, before the land has been restored, without specifying that their activities should be limited to land cultivation. The registration as such is not the most frightening thing. The ensuing conflict with the liquidation councils and land distribution commissions is what we should be afraid of, because people will ask for land that will be refused to them.

[Penkova] You said that you intend to take care of agricultural science. What does this mean? I remember that while you were deputy minister, you behaved in a rather disloyal manner toward your former colleagues from the Institute of Genetic Engineering by trying to close it down.

[Tanev] As in all other sectors a destructive policy was conducted in the field of agricultural science. I was a close observer. Some mafia-like groups that assumed very democratic-sounding names engaged in destroying agricultural science. It was called the club for the democratization of .... I do not know what. Let us not delude ourselves. The majority of members are individuals who are trying to launder their "bright" past. The most preposterous decisions, stemming from nowhere, were adopted. You are perhaps familiar with the case of the Supreme Certification Commission and the scientific councils. The councils were established by nobodies, and the same applies to the Certification Commission itself. The basic principles of democracy and scientific autonomy were violated.

We established a special experts' group that is working on a project for the reform of agricultural science. The reform should be in conformity with European standards. The group is working on the basis of PHARE [Economic Reconstruction Aid for Poland and Hungary] programs. it is composed of very competent specialists—people from the British Council of Agricultural Science, and other well known scientists. They asked for a deadline of eight to 12 months for completing their project, while that "club" of ours proposed to do the same in three weeks. What did you mean by saying that I am taking charge of science? Yes, it is true that I placed the scientific department of the Ministry of Agriculture under my own supervision because it coordinates the activities of the PHARE groups.

I never tried to close down an institute without a Council of Ministers' decision, but I appealed to the Council of Ministers urging it to decide on closing down several phony institutes. The aforementioned institute is of no significance whatsoever for Bulgarian agricultural science, apart from providing people with free airline tickets for pleasure trips to the United States. The institute was working on the basis of a program drafted by Stoyan Ovcharov [former deputy prime minister under Zhivkov], a specialist on railroad cars, who was in charge of promoting Bulgaria's biotechnologies. The project was devoted to the research of technologies for the creation of artificial seeds. The Monsanto Company has achieved certain successes in this field, but it spends an annual amount of $5 million for this purpose. Do you think that Bulgaria can afford such expenditures? You will excuse me, but I do not think so.

[Penkova] What are your intentions in the legislative sphere; are you planning to amend the Land Act?

[Tanev] There is no question of a substantial amendment. We will only try to revise the Land Act here and there, to eliminate the major obstacles impeding a real land restitution. As early as at my first meeting with the ministry's staff I realized that a great and serious confusion exists in the legal department, too. Legislative policy is also an important part of the ministry's tasks. We need laws on animal breeding, on plant growing, on mechanization, a legal act on the status of the Ministry of Agriculture as such, and many others. Provided that I have enough time, I also intend to revive legislative activities through the government.

Commentary Says Prosecutor Serves SDS Interests

AU2801134993 Sofia DUMA in Bulgarian 22 Jan 93 p 6

[Commentary by Evgeni Gavrilov: "Union of Democratic Forces [SDS] Extremists Are Playing Their Trump Card Again With Tatarchev's Help"]

[Text] Even the blind in Bulgaria can see that Chief Prosecutor Tatarchev carried out his latest political assignment by asking parliament to strip Lilov of his immunity. Shame made the "blue" [alluding to local television being closely affiliated with the SDS, the Union of Democratic Forces] television screen turn red with embarrassment on 19 January when the stern "Sheriff" Tatarchev, who according to current circumstances has established his headquarters on the fourth floor of the Palace of Justice, explained to the entire electorate that the reasons for the request he submitted to the National Assembly were not politically motivated. He pointed out that it was high time for people in Bulgaria to understand that no one is above the law.

The first question arising in this connection, which even people who are totally impartial in politics would logically ask, was that if political motivations were not involved, why was Lilov's immunity not discussed as early as when Lukanov was stripped of his immunity? The same accusations were raised in both cases, and there is no logical reason for indicting one member of parliament in the summer of 1992 while another is indicted six months later. The argument that "Sheriff" Tatarchev may have discovered some shocking new evidence relating to the previous legal action related to the former regime's so-called assistance to other countries and communist organizations is simply ridiculous.

The clear truth is totally different. Unfortunately, the chief prosecutor, in addition to causing various troubles, greatly contributed to the re-politicization of the judicial system. He remained the only trump card in the hands of his cronies, who usurped the leadership of the SDS National Coordinating Council.

In exploiting the services of the man from the Palace of Justice as a trump card in their political games, the SDS leaders realized perfectly well that they have nothing to lose. After stripping Lilov of his immunity, despite the fact that he will not be arrested, the SDS hardliners evidently viewed two alternatives for their survival. Despite the fact that throughout last year the small gang of lawyers from the former Second Lawyers' Collective sufficiently proved its total incapability of ruling the country, they have not lost their lust for revenge.

Under the new circumstances prevailing in parliament, the foundations of the Berov cabinet may prove rather shaky. In case the government should be overthrown, there is an immediate chance of the SDS once more taking power. Who will take advantage of the situation—that is another question. If last fall's merry-go-round of mandates should be repeated, we should not be surprised to face more elections. The latest public opinion polls are showing that the former group of former psychotherapists and essayists is not likely to win the elections, but they are evidently ready to play their last cards because new elections would be their last, even if minimal, chance of enjoying the political limelight, at least for a while.

Air Force Commander Describes Financial Plight

AU2801155493 Sofia BTA in English 1539 GMT 28 Jan 93

["Bulgarian Air Force in Critical Condition"—BTA headline]

[Text] Sofia, January 28 (BTA)—This year will be decisive for the state of the Bulgarian Army and especially of the Air Force in terms of their financing and fighting efficiency, the Air Force Commander Lieutenant General Mikho Mikhov told a briefing at the Defence Ministry today. According to him, the Air Force's funds and fighting efficiency border on the critical minimum.

The budget of the Air Force, which should be 60 percent of spending on the whole Army, cannot be cut back any further, General Mikhov said. "The funds we have now will meet requirements for training flights until mid-February," said General Mikhov. The training of a fighter pilot costs 3.5 to 4 million leva. He reiterated the view of the Air Force's leadership that the Air Force School could train airline pilots, which would cost less than to open a special school.

The Defence Ministry announced that its officials will hold a series of meetings with representatives of the parliamentary and extraparliamentary forces to reach a consensus on issues of national security and the Armed Forces.

The press learned that a delegation of the Turkish Air Force is scheduled to visit Bulgaria in February.

Bank Governor Announces Probable Resignation

AU2801133793 Sofia BTA in English 1251 GMT 28 Jan 93

[Text] Sofia, January 28 (BTA)—"I will probably resign soon, but I will do so on legal grounds and not arbitrarily, contrary to what certain people would like," the governor of the central National Bank of Bulgaria (BNB), Prof. Todor Vulchev, said in a telephone interview on national radio this morning in connection with yesterday's press release of the BNB Governing Board, according to which the bank's governor intended to tender his resignation soon.

Speaking on national radio, Prof. Vulchev added that the problem of his resignation should be solved by the official institutions which have a statutory mandate to do so. Under the effective law, parliament alone is authorized to dismiss Mr. Vulchev.

This is the second attack on the BNB governor in the past six months. An attempt to discredit Prof. Vulchev was made last summer. The press implicated him in discrediting connections with private companies to which he allegedly granted undue concessions. These allegations were dismissed by a parliamentary inquiry into the matter and all parliamentary forces backed Prof. Vulchev.

All newspapers today provide extensive coverage of the "Vulchev case."

In a telephone interview for the PARI daily, Prof. Vulchev said that he still heads the National Bank because of the "unstable political situation which emerged with the resignation of the previous cabinet, headed by Mr. Filip Dimitrov."

The STANDART NEWS quotes sources close to the BNB Governing Board as saying that on Monday, January 25, the Governing Board held a secret and unofficial meeting, chaired by the bank's Vice Governor Mr. Emil Khursev, at which Prof. Vulchev alone was not present. At this meeting, Mr. Khursev expressed the view that this was the right time for Prof. Vulchev to retire and said that the political parties in parliament would back his bid to succeed Prof. Vulchev to the post of BNB governor. According to this newspaper, it is not clear whether the latest attack on Prof. Vulchev is a result of the political realignment or of personal ambitions. The manner and timing of its start could lead to a collapse of the precarious financial stability and of the shaken confidence of the international financial community, according to the STANDART NEWS.

Quoting banking sources, the dailies recall recent differences between Prof. Vulchev and Vice Governor Khursev: a proposal, moved by Mr. Khursev, that BNB license the Slavyani Bank without asking it to pay up the required minimum capital; and a demand, made by the president of the Bulgarian Foreign Trade Bank [BFTB] and backed by Mr. Khursev, that the BNB license the merger of the Bulgarian Post Bank and BFTB and an initiative, supported by Mr. Khursev, that BNB invest 1,000 million leva in the construction of new BNB headquarters.

Most dailies associate the issue of Prof. Vulchev resignation with the forthcoming privatization. According to OTECHESTVEN VESTNIK, the BNB's steady line of tight control over money supply, inflation and the exchange rate will hardly benefit the circles with unconcealed ambitions for the forthcoming privatization.

The DUMA daily quotes Miss Virzhiniya Velcheva MP [member of parliament] of the Union of Democratic Forces (SDS) as saying that Mr. Khursev, the head of the central bank's foreign currency operations department Stoyan Shukerov, and others in their entourage, linked with the First Private Bank and the Podkrepa Labour Confederation, precipitated the attack on Prof. Vulchev. According to her, Mr. Khursev protected the interests of the First Private Bank and the Podkrepa Labour Confederation which wanted to usurp the BNB. Similar was the opinion expressed by Mr. Ventsislav Dimitrov, chairman of the National Assembly Finance Budgetary Committee, and Mr. Ilko Eskenazi, SDS MP and former deputy prime minister in Filip Dimitrov's cabinet.

Mr. Dimitrov did not rule out the possibility that the latest attack on Prof. Vulchev was connected with the forthcoming debates on the 1993 budget bill. The central

National Bank will be required to agree on a higher budget deficit, which will allow the government to implement some populist measures, Mr. Dimitrov said.

Cabinet Decides To Update Privatization Program

AU2801212993 Sofia BTA in English 2028 GMT 28 Jan 93

[Text] Sofia, January 28 (BTA)—At a meeting today the Council of Ministers discussed urgent problems of the Privatization Agency, the Council of Ministers Press Office reported. It decided to update the privatization programme for 1993. Deputy Prime Minister Valentin Karabashev, Finance Minister Stoyan Aleksandrov and Industry Minister Rumen Bikov will take part in reviewing the programme.

The cabinet today approved a draft decision to financially stabilize the Bulgarian State Railways (BDZ). It voted down a motion by Transport Minister Neycho Neev to restructure the BDZ debt into public. The debt amounted to 1,156 million leva and the arrears of interest to 48 million leva by December 31, 1992. Under today's decision, the Council of Ministers exempts the BDZ from turnover tax on passenger services for 1992 (which would amount to 42 million leva). The company will use the funds to buy materials, fuels and electricity. The cabinet will also write off some of the company's liabilities.

The cabinet today approved an invitation form for foreign private tourists and businessmen visiting this country. The Council of Ministers issued a decree on December 28, 1992, requiring such invitations from ex-Soviet citizens. An invitation, which will cost 500 leva, obliges Bulgarian hosts to pay for medical treatment or for damages caused by their guests. Private visits may last for up to thirty days. Ex-Soviet citizens need to have a return ticket and 50 dollars (up from 40 dollars required so far) per day.

At a closed-door meeting last night the cabinet discussed industrial demands of power engineering and ore-mining workers. The problems are linked to the previous cabinet's decision to raise the retirement age for miners by two years and close down money-losing ore mines. Solutions are expected next week, according to Council of Ministers spokesman Raycho Raykov.

At the suggestion of Bulgarian National Bank Governor Todor Vulchev, Finance Minister Stoyan Aleksandrov was nominated as governor for Bulgaria at the International Bank for Reconstruction and Development, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the European Bank for Reconstruction and Development. Bulgarian National Bank Deputy Governor Emil Khursev was named as deputy governor for Bulgaria at the Multilateral Investment Guarantee Agency.

Article Outlines Currency Split Process

AU2801163993 Prague RESPEKT in Czech No. 4 (25-31 Jan 93) p 2

[Article by Jan Machacek: "When Will the Money Be Exchanged; The Government Is Playing on Citizens' Nerves"]

[Text] Late last week it seemed almost certain that the currency split, that is, the exchange of money, would take place on the last weekend of January. Several rather compelling circumstances indicated this.

A meeting of the Monetary Committee slated for 25 January was first postponed until 1 February because on 25 January the Slovak side was to hold talks with the IMF in Washington. In the 22 January papers, however, we read that the Committee would meet on 25 January "for urgent reasons." The Slovak side thus had to interrupt its crucial talks in the United States. Moreover, according to information, which has been confirmed some directors of post offices told their employees to be prepared to have to work the last weekend of January. They were told, at the same time, "to keep this fact to themselves if possible."

Yet, speaking on Czech television Friday [22 January] night, Czech National Bank Governor Josef Tosovsky made the surprising statement that the currency split would not take place before the end of January. Everything suggests that the governments and the Monetary Committee changed their original intention at the last moment.

What Course Will It Take

It is certain that the currency split will take place on a weekend, most likely at a time when people do not have much cash on hand shortly before payday. In most large state enterprises, wages are paid around the 10th of each month. People will thus receive their pay in banknotes that have already been stamped.

1. Banknotes denominated at 100 korunas and more will be exchanged. Small coins and 10-, 20-, and 50-koruna bills will remain valid in both republics. In addition to stamped banknotes, people will also receive new 200-koruna bills. Shortly after the currency separation, the Czech National Bank (CNB) will start putting into circulation 20- and 50-koruna coins, which will only be valid in the Czech Republic.

2. There will be two different regimes, one applying to individuals and the other to enterprises and entrepreneurs. Entrepreneurs will probably be exchanging their cash at special counters or specially-designated branches. A certain staggering cannot be ruled out either (naturally, not in the order of days). [sentence as published] Entrepreneurs and shop owners definitely should not keep too much cash in their cash registers, in their own interest.

3. The CNB will determine a sum, probably 3,000 or 4,000 korunas, that citizens will be able to exchange immediately. The limit for entrepreneurs will probably be higher. For the rest of the money that they exchange, people will receive bonds against the presentation of new money later—in a period of days or weeks. One cannot therefore recommend anything other than that people who have a few million stashed away in mattresses should deposit this money in banks before it is too late. It is hardly imaginable that people arriving at the counter with a suitcase holding 10 million korunas in cash will really receive a bond for the entire sum. This would even be technically difficult—counting the money alone would take a few hours time.

4. According to our information, the idea of exchanging the money at designated places such as schools or polling stations has been abandoned. The exchange will take place only at postal counters and in all Czech Savings Bank and Commercial Bank branches.

5. Banknotes will be exchanged upon presentation of an identity card and only in accordance with one's permanent address. Czech Republic citizens with permanent residences in Kosice, for example, are therefore advised to deposit their money in time with Czech banks.

6. During the currency split, one must be prepared for rigid and thorough inspections, not only at the Czech-Slovak border but also at border crossings with Poland, Austria, and Germany. The borders are unlikely to be closed completely because both republics are countries of transit and signatories to many international treaties.

7. The problem is now being considered, in cooperation with state and local administrative bodies, how to help citizens who are incapable of movement, bedridden, or hospitalized. Although a solution will undoubtedly be found, even today it is worth warning elderly people against all kinds of swindlers.

8. What if someone simply forgets to exchange some of his money? In such a case, he simply has had bad luck. There is yet another important matter relating to forgetful people. The currency in circulation has an aggregate value of some 100 billion korunas. Something over 70 billion korunas will be stamped in the Czech Republic. Even if a mere 3 percent of this sum becomes lost or forgotten somewhere (which is not at all impossible), this would represent at least 2 billion korunas. In the central bank books, money in circulation is counted among the liabilities. Even though the currency split will have nothing in common with monetary reform, as many older people still assume, one can say that the central bank will profit from it. CNB experts supposedly estimate that, at the very least, this profit will cover all the expenses associated with the preparation and execution of the currency split. Paradoxically, this profit could be the reason that banknotes also are being stamped in Slovakia, as there is no other logical explanation for this step by Bratislava (except for one small point: "As the Czechs are stamping, we will be stamping, too").

A Colossal Course of Action

The currency split is an action of tremendous scope. The schedule must foresee various crisis situations, and requires perfect coordination between all official and nonofficial organizations participating in the process: the central bank, the Finance Ministry, commercial banks, savings banks, post offices, police, customs officers, communications and telecommunications, state administration, local administrations, etc. It will be necessary to hire thousands of private security agents to help the police maintain order. The danger that at some post offices panic may break out, conflicts and disputes may arise, or theft or armed robbery be attempted, all cannot be ruled out. This is because in post offices and saving banks there will be far more cash than usual, not only in the safes, but also in the purses of the people waiting in lines. Banknotes must be transported from the exchange site, and there will be cars full of bags filled with money in the streets. They too must be guarded by armed escorts. The press will become involved in the entire process. They should inform the people continuously about where the exchange process is going smoothly and where there are delays. It is easy to imagine the confusion that would arise, for example, if the majority of Prague resident decided to take their money to the Jindrisska Street post Office.

Question Marks

The first question linked to the currency split is the law. With all likelihood, the government will have to present a bill in parliament that will entitle the central bank and government to implement the split. (According to our information, the first such bill was presented by Josef Tosovsky.) Since a regular law becomes valid only after publication in the Legal Register, parliament also must decide that this law will take effect immediately. This is reminiscent of the Rasin [finance minister in 1919] currency split in 1919 and the famous night meeting of the National Assembly and secret vote by the deputies. Some may think that this is an unnecessary game since the Czech National Council has already approved the reasons for abrogating the treaty. Here we are talking about the interpretation of the law, however.

The success of implementation of the currency split will largely depend on whether it will be possible to prevent various kinds of speculation and fraud. It is well known, for example, that in Poland there are organized gangs who fake, in a professional manner and with professional equipment, various documents.

An unpleasant surprise is the behavior of some foreign banks (particularly German and Austrian banks), through their branches in the Czech Republic. They are depositing their korunas with Czech banks—korunas that they acquired in the past from Czech tourists in exchange for foreign currencies. Despite the fact that Vaclav Klaus described this phenomenon as "marginal," tens of millions are involved.

Why Are We Hesitating

Governor Tosovsky said Friday [22 January] that the stamping is being done slowly. Some 23 billion korunas have been stamped by 23 January. This is not the main reason why the split will not take place this very weekend, however. There are more important things:

1. Details regarding terms of payment have not been agreed upon with Slovakia. Czech enterprises exporting to Slovakia will get less for their products after devaluation [of the Slovak koruna]. It is possible to expect a certain amount of pressure on the Czech Government to solve this situation, since the concept for the clearing center is not clear as yet.

2. The same kind of fog is hanging over the division of the koruna accounts of the former Czechoslovak State Bank. The Czech side has claims amounting to 20 billion korunas in Slovakia. Possible compensation using Slovak foreign currency reserves has not been agreed on as yet (see details in RESPECT No. 1/93).

3. Perhaps the most important factor is that Vaclav Klaus (according to the treaty, he and the Slovak prime minister have the last word on the monetary union) has so far opposed the "premature" split.

What then are reasonable reasons for a fast split? Apart from the run on the foreign currency reserves (which eased last week, anyway), the reasons for abrogating the treaty on monetary union have not been met.

The reasons are simple: expectation and nervousness. People are waiting in endless lines to deposit their money. Others are buying goods indiscriminately. Uncertainty and nervousness among the entrepreneurs is threatening to exceed the limits beyond which the trade between the republics will be damaged, and not just that. The current situation (too much restraint and reservation) can result in unpleasant "noises" on the domestic economic scene, above all, in currency circulation. That is, there is something happening, something that the experts call "a self-fulfilling prophecy." To put it in Czech: The time is right to stop getting on people's nerves.

No Foreign Currency To Be Used To Pay Slovakia

LD2801235793 Prague Radiozurnal Radio Network in Czech 2300 GMT 28 Jan 93

[Text] The internal convertibility of the Czech crown [koruna ceska] against the Slovak crown [koruna slovenska] after the division of the Czechoslovak currency will not be introduced for enterprises. However, the internal convertibility for the citizens of both countries probably will be introduced.

This was announced yesterday [28 January] by Czech Prime Minister Vaclav Klaus in an interview for Czech television. He said that no foreign currency would be directly used for payments between the Czech Republic

and Slovakia after the introduction of the Czech and Slovak crown. A deficit of payment balance between the two states exceeding 5 percent should be settled in freely convertible currencies.

Vaclav Klaus believes that the payments agreement between the two republics need not be negotiated at the highest level. According to the prime minister, it will suffice if this is agreed at the level of finance ministers.

Left Bloc Group Supports Abolition of Senate

LD2801183593 Prague CTK in English 1647 GMT 28 Jan 93

[Text] Prague, Jan 28 (CTK)—The Czech parliament's Left Bloc deputy group will support the abolition of the yet-to-be filled Czech Senate, according to its representative, Miroslav Spacek. As yet, however, no draft law has been presented on the Senate's abolition, according to CTK's information. Only the right-wing Assembly for the Republic-Czechoslovak Republican Party has sent a letter to parliament Chairman Milan Uhde, suggesting that such a law be proposed.

The institution of the Senate, contained within the new Czech Constitution, has proved contentious as legislators have struggled over how best to fill it. Jiri Svoboda, chairman of the Communist Party of Bohemia and Moravia, at a press conference today, pointed to what he called problems regarding the legitimacy of newly-elected Czech President Vaclav Havel, due to the empty Senate. Havel was elected on Tuesday [26 January] by the parliament's Chamber of Deputies, though the Constitution calls for both chambers to elect the head of state. If the Senate were to be filled in some way today, a delicate situation would arise. There would be a president who was not elected by both chambers. The legitimacy of Havel's election would then be problematic, Svoboda said. Svoboda said eliminating the Senate would be the only way out of this impasse.

Military Service Maximum To Be Reduced

AU2701141193 Prague MLADA FRONTA DNES in Czech 23 Jan 93 p 2

[Report by "(jem)": "Eighteen Months of Military Service at Most"]

[Text] Prague—Conscripts who entered military service in October 1992 will return to civilian life after 18 months at the most. This statement was made yesterday by Jiri Panocha, a civil servant in the Defense Ministry. He also said that reports about reducing military service for soldiers who serve from October 1992, January 1993, or who enter into service at later dates are merely tentative. According to Panocha, a proposal to reduce military service to 12 months has—so far—only been submitted to ministers for their comments. Until this proposal is approved by the government and parliament, no binding dates for the completion of military service other than those contained in the valid law can be given.

Army Offical Outlines Plans for UN Battalion

LD2801180493 Prague Radiozurnal Radio Network in Czech 1500 GMT 28 Jan 93

[Text] The Czech Army would like to function independently in the UNPROFOR [UN Protection Force] mission. Today, Colonel Vojtech Kubes from the foreign relations directorate of the Czech Republic Army General Staff spoke in favor of creating an independent Czech battalion of the UN peacekeeping force in the former Yugoslavia. He also drew attention to the possibility that the two republics may not win a mandate to function in the UNPROFOR forces and so it cannot be ruled out that, when asserting its participation, the Czech side could come into conflict with the Slovak side.

Following an agreement with the Slovak Republic, Slovak officers will join the battalion staff and one company comprising exclusively Slovak soldiers will be formed. Vojtech Kubes described this system of battalion leadrship, which ensues from an agreement between the two republics, as mockery.

Meciar Receives Canadian National Revenue Minister

LD2801180793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 28 Jan 93

[Text] Canadian National Revenue Minister Otto Jelinek informed Prime Minister Vladimir Meciar in Bratislava today on the outcome of the talks held by the Canadian mission in Slovakia. At the same time he handed over a letter from Canadian Prime Minister Brian Mulroney to Prime Minister Meciar in which the former expresses the belief that cooperation between the two countries will continue in all spheres. According to Otto Jelinek, Canada sees Slovakia not only as a good trade partner, but also as a country whose mediation it can use for the establishment of contacts with the republics of the former Soviet Union.

Meciar's 'Personal View' on Currency Split

AU2801132093 Prague CTK in English 2204 GMT 26 Jan 93

[Text] Bratislava, Jan 26 (CTK)—Controversy within the Slovak Government about an explosive statement made by Slovak Premier Vladimir Meciar continued today.

In a January 24 television appearance, Meciar spoke about the consequences of the intended currency separation between the Czech and Slovak Republics. He called on Slovak citizens to deposit their money with banks and warned that this is the only way for them to salvage their life's savings.

The next day, Ludovit Cernak, the Slovak Economics Minister, commented on the above statement. In his words, Meciar had expressed only his personal view because the government had not discussed the currency separation. The last word so far on the subject was pronounced today by Bohuslav Geci, the Slovak Government spokesman.

The government did discuss the problem, he said, but the economics minister did not attend the meeting. I am unable to explain the absence of Minister Cernak, Geci said.

Meciar 'Secretly' Visits Prague

LD2801193593 Bratislava STV 1 Television Network in Slovak 1830 GMT 28 Jan 93

[Text] An urgent CTK news item was just brought to me in the studio. It is in Czech, therefore, please excuse me for possible errors.

Slovak Prime Minister Vladimir Meciar secretly visited the Czech Republic last night. According to sources close to the Czech Government, he held talks with Czech Prime Minister Vaclav Klaus and Czech Finance Minister Ivan Kocarnik, mainly on the division of the Czechoslovak currency.

Ruzyne Airport in Prague confirmed to CTK that Vladimir Meciar had stayed in Prague approximately from 2100 to 0400 in the morning. This was the first visit abroad by a Slovak prime minister and a first to Prague after the split of the common Czechoslovak state.

Caution Urged During Split

LD2801172493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 28 Jan 93

[Text] The division of the Czechoslovak currency is in the view of Economic Minister Ludovit Cernak beyond the control of the Czech and Slovak Governments. As the minister said in an interview granted to CTK, after making a number of ill-judged statements both republics have reached a stage when the world no longer believes in the long duration of the common currency. The wisest solution to this situation in his view is to separate the currency. Ludovit Cernak at the same time warned against an agreement on the use of U.S. dollars for mutual payments. He stressed that this would freeze the trade between the two republics for a number of years.

Meciar Unable To Attend Havel Inauguration

LD2801202493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 28 Jan 93

[Text] The Slovak prime minister's office made public today the text of a telegram sent by Prime Minister Vladimir Meciar to Vaclav Havel on the occasion of his election as president of the Czech Republic. In the telegram, among other things, he expresses the conviction that Vaclav Havel will do everything possible to ensure that Slovak-Czech relations develop on the basis of friendship, mutual respect, and all-around cooperation.

Anna Nagyova, head of the Slovak prime minister's office, announced that Vladimir Meciar explained to Vaclav Klaus in a telephone conversation that for urgent business reasons he would not be able to attend the inauguration of the Czech president. According to her words, Vaclav Klaus received it with understanding.

SNS Claims Government Not Adhering To Policy

LD2801183893 Prague CTK in English 1649 GMT 28 Jan 93

[Text] Bratislava, Jan 28 (CTK)—Slovak National Party (SNS) leaders consider the first moves by the Slovak Government after Slovakia became independent to be chaotic and contradicting its programme.

In a statement by the SNS Central Council, given to reporters at a press conference here today, the party says the chaotic nature of the government's moves was demonstrated by the method the law on the National Insurance Office was being enforced and by the effects of the new tax laws. The government is risking the confidence of citizens by imprudent statements about ways in which the currency will be exchanged, the statement adds. It points out that the SNS will support the presence of Economics Minister Ludovit Cernak, SNS chairman, in the government as long as the government's steps are not diametrically different from the SNS programme.

Defense Cooperation Agreement Signed With Albania

LD2801191993 Budapest MTI in English 1824 GMT 28 Jan 93

[Text] Budapest, January 28 (MTI)—Defence Ministries of Albania and Hungary will hold regular security policy consultations in the future, under a cooperation agreement signed by the two defence ministers on Thursday [28 January]. According to the agreement, Hungary will help Albania work out a defence doctrine, and will train Albanian soldiers, Lajos Fur of Hungary said after signing the document.

Albanian Defence Minister Safet Zhulali said, his ministry was in great need of help in military legislation, education and medicine. The number of officers in the Albanian Army has been cut by 30 per cent, and the period of service for conscripts has also been shortened. Albania hopes for Hungary's help in switching its military industry to civilian use, Zhulali said.

Lajos Fur warned that both Albania and Hungary are on the border of the south Slav crisis zone, and are closely affected by the crisis because of their minorities within the zone.

Albanian Minister on Kosovo Status

LD2801192893 Belgrade TANJUG in English 1748 GMT 28 Jan 93

[Text] Budapest, Jan 28 (TANJUG)—Albanian Defence Minister Safet Zhulali said his country had no territorial claims on Kosovo-Metohija, but also questioned the fact that the province was an integral part of the Yugoslav Republic of Serbia.

"Albania does not regard Kosovo as an integral part of its territory, but if Kosovo must be a part of Serbia, then Albania demands that all its compatriots there must be secured international guarantees that their human and minority rights will be respected," Zhulali said in an interview to a Hungarian daily.

The minister, who is on an official visit to Hungary, also said that his country was in favour of a demilitarization of Kosovo and deployment of a U.N. peacekeeping force there.

Zhulali did not specify how a part of a sovereign country could be demilitarized without that country's consent.

A strong separatist movement of Kosovo's ethnic Albanians, who make up an overwhelming majority in the province after they for almost half a century steadily cleansed the province of Serbs and Montenegrins, has for two decades been actively seeking the formation of a Republic of Kosovo and its subsequent secession from Yugoslavia and merger with neighbouring Albania.

Parliament President Meets Estonia's Laar

LD2801173193 Budapest MTI in English 1519 GMT 28 Jan 93

[Text] Budapest, January 28 (MTI)—Hungarian Parliament President Gyorgy Szabad met Estonian Prime Minister Mart Laar, who is in Hungary on an official visit, in parliament on Thursday [28 January].

Szabad recalled the historic lesson given by the tragic fate of the Baltic states, among them Estonia, that the far right and far left dictatorships were able to ally themselves against democracies.

At the same time, the example of Estonia also shows that small peoples are also capable of resisting assimilation intentions, Szabad added.

Giving briefs about legislative work in Hungary after free elections, Szabad emphasised the consolidation of constitutional state frameworks and the acceleration of socio-economic progress.

In his reply, Laar pointed out his country's determination to integrate into European structures. He hoped that Estonia, possibly together with the other Baltic states, would be admitted to the Council of Europe as early as this year, and thanked Hungary for helping to further this end.

Laar Adviser on Talks

LD2801183193 Tallinn Radio Tallinn Network in Estonian 1000 GMT 28 Jan 93

[Remarks by Tiit Pruuli, adviser to Estonian Prime Minister Mart Laar, over telephone from Budapest—live]

[Text] Yesterday was the most important day of the visit of the Republic of Estonia's premier to Hungary, when the official delegations of both sides met in the Budapest parliament building where a two-hour discussion took place. Premier Jozsef Antall was leading it on the Hungarian side. Of the most important subjects in the economic sphere one could bring to the fore Estonian-Hungarian cooperation in trade and exchange of experience in respect of privatization and foreign investments. Of political subjects one ought to mention first and foremost cooperation on the problems of Finno-Ugric peoples. Estonia and Hungary have decided to raise jointly in the Council of Europe the problems of Finno-Ugric peoples living in Russia and the issue of their [word indistinct]. Of other political issues, the Estonian premier mentioned our increasing interest in Central Europe and Hungary in particular. Finally, he mentioned the common interest of the Baltic states and Central European states to integrate into Europe.

The third bloc could be summed up as a discussion of defense issues and here the essential thing is the assistance offered by the Hungarian side on issues to do with

the border, such as training of border guards, training of officers, and fighting against terrorism, drug trafficking, and contraband.

The premier met also with leaders of the Hungarian Democratic Forum and Christian Democratic Popular Party yesterday. This morning he had a meeting with the Hungarian finance minister.

Laar Departs Budapest

LD2801183093 Budapest MTI in English 1622 GMT 28 Jan 93

[Text] Budapest, January 28 (MTI)—Winding up an official visit, Estonian Prime Minister Mart Laar left Hungary on Thursday [28 January]. On the last day of the visit, Laar was shown the sights of Budapest. In the Rakoskeresztur Public Cemetery, he laid a wreath at the Monument of the Martyrs of the 1956 Hungarian revolution.

Article in New Journal Protests Slovak Gains

AU2801104393 Budapest NEPSZABADSAG in Hungarian 26 Jan 93 p 4

[Unattributed report: "MONTHLY HUNGARIAN FORUM—The God of Hungarians Should Be Merciful"]

[Text] Another journal has left the newspaper center at Blaha Lujza Square [Budapest]. The first edition of the MONTHLY HUNGARIAN FORUM has just arrived at the newspaper stands. The chief editor is Istvan Csurka.

The first edition carries an article by editor Zoltan Szocs under the heading "The Loyal Piarists" which, among other things, says on the Bos issue that "Hungarian political officials are gentlemen and loyal, well-educated people imbued with European norms. Sentences betraying slight irritations, strong adjectives or verbs would never escape their lips, never mind the cry: We have had enough! Do not steal our Hungarian homeland! You have already received (from the West) 61,633 square kilometers of our homeland with 3.5 million people living on it, just as you have received our ancient capital, Pozsony [Bratislava], which crowned 17 Hungarian kings, and you have received Kassa [Kosice], Losonc [Lucenec], Iglo [Spisska Nova Ves], Locse [Levoca], Bartfa [Bardejov], and Nagyszombat [Trnava], and since our Prince Rakoczi's Felvidek [Upper Country—northern Hungary until 1920, now part of Slovakia] was given to you (on what basis?)—well, use them! However, there is a limit to everything, and the position so far and no farther applies to everything! If you dare touch the Danube, if you again dare touch the border of our country, the barely healing abscess of Trianon will burst and begin to bleed. And then the Heavens and the God of Hungarians should be merciful to you, because we are on our guard to defend our country's interests by all possible means. Have you marked this well, our dear northern neighbors?

"At the time of making this cry, the Hungarian diplomacy should have been runnning to all four corners of the world, begging (or if you prefer, lobbying) from Washington to Brussels, from Brazil to Paris, and beating, beating, and beating again the drums and saying that it is high time we put an end to the pillage that was approved in Trianon in 1920.

"But no. Of course not. The loyal Piarists of the Hungarian Government have done everything short of helping carry the cement to the dam."

According to Szocs, we cannot be certain whether the class report book of Hungarian politics is being kept in Washington or London, or perhaps it is in Tel Aviv.

Foreign Trade Balance Shows Improvement

AU2901135893 Budapest MAGYAR HIRLAP in Hungarian 27 Jan 93 p 9

[Report by "V.A.I.": "Decreasing Foreign Trade Deficit"]

[Text] According to data published by the Central Statistical Office, the Hungarian foreign trade balance in the first 11 months of 1992 showed a deficit of 37.5 billion forints, or $423 million, which is considerably smaller than in 1991. There was a drop in the import surplus from developed and developing countries with a market economy, and our imports from the former socialist countries stood at approximately the same level as in 1991. Hungarian trade with EC member states still showed a negative balance in 1991, but it reached a considerable positive balance in 1992. One of the reasons for this change was the trade agreement signed between Hungary and the EC, an agreement that considerably improved the prospects for Hungarian goods on the Western markets.

Hungary imported 4-5 percent less energy in this period because of a drop in industrial production and a drop in the population's consumption. Our exports increased primarily thanks to consumer goods, including a considerable increase in the labor exports of textile products.

Opportunity for Partnership With Ukraine Seen

LD2901122393 Warsaw PAP in English 1202 GMT 29 Jan 93

[Text] Warsaw, Jan. 29—There is now a historic opportunity for Poland and Ukraine to establish contact on the basis of partnership and good-neighbourly relations, Polish Defence Minister Janusz Onyszkiewicz said on Friday [29 January], ahead of his forthcoming official visit to Ukraine.

The centre-piece of the three-day visit, which starts on February 1, will be the signature of a military cooperation treaty between the two countries, defence minister press spokesman Lieut.-Col. [Lieutenant Colonel] Leszek Ziolo told reporters. Also, the visit will include meetings with leading Ukrainian political figures, and a lecture by Onyszkiewicz to officers at the Ukrainian military academy.

Next to Russia, Ukraine is the post-Soviet republic furthest advanced in the establishment of its own armed forces, and is keen to develop military cooperation with Poland.

Onyszkiewicz said that mutual confidence would form the basis for successful relations in the military sphere, and this would be best served by joint visits to military units, and the exchange of information on training. He also hoped for the development of cooperation between cross-border units.

Polish Legislation To Be Adjusted to EC Norms

LD2601221993 Warsaw PAP in English 2142 GMT 26 Jan 93

[Text] Warsaw, Jan 26—The Council of Ministers on Tuesday [26 January] adopted a draft programme of steps leading to the adjustment of the Polish legislation to the requirements of the European Treaty.

The document envisages adoption of and amendments to 61 laws and 53 other legal acts concerning mainly economic transformations.

The programme includes a timetable of adjustment steps covering financial law, bookkeeping, tax system, financial services, insurance law, foreign currency dealings, protection of patents, registered signs and trade marks, standardization of norms, labour law and social insurances, physical culture and tourism, national education, health protection and social welfare, communications, environmental protection, trade and industrial policy, state statistics, planning, agricultural and food economy policy, public contracts and atomics.

A communique issued by the Government Press Bureau after today's meeting stressed that it is impossible at this stage to present a complete programme of concrete adjustment steps in all fields of the law.

In tune with the European Treaty, signed in December 1991, Poland retains a free hand in defining the pace, order and the necessary scope of adjustment steps. One of the articles of the treaty lists certain fields of law which should undergo reform first, however it does not define the time or methods which should be applied in this process.

The first stage of the adjustment process, according to the communique, should embrace those fields of the law which have vital importance for the building and functioning of Poland's market economy linked with the European Communities with strong economic ties.

This, first of all, requires the adjustment of regulations concerning economic turnover and provisions regulating the legal situation and activities of economic entities as well as the adjustment of such spheres as the customs law, financial services, economic turnover, industrial law, protection of intellectual property, environmental protection and issues linked with standardization.

The draft programme adopted today by the Council of Ministers is to be presented to the Sejm (lower house of parliament) by the end of January.

Members of the Council of Ministers also discussed a report on the banking system in the first half of 1992 in light of the situation in the years 1990-91. The council sent the report back to the government Economic Committee for further discussion.

Minister Janowski Briefs Press on Farm Issues

PM2801100793 Krakow GAZETA KRAKOWSKA in Polish 19 Jan 93 pp 1-2

[Report by Marcin Bochenek on Agriculture Minister Janowski's 18 January press conference: "What Kind of Farms? Family-Run, Large, and Modern": Notes From Minister Janowski's Conference]

[Text] "The most important task in 1992 was to formulate the principles of our agricultural policy. After determining priorities in that area, the government approved the program entitled: "Opportunities for the Rural Sector and Agriculture," Agriculture and Food Economy Minister Gabriel Janowski said yesterday.

"Among the most important elements of the government program are introduction of minimum prices and loans for agricultural purposes, market protection, definition of the 'family farm' status on the basis of land ownership titles in Poland, and also ownership transformation [privatization] scheme.

Planned Production Decrease

"We expected decreases in agricultural production in 1992," Deputy Agriculture Minister Piotr Dabrowski stated. The 'planned' regression was then magnified even further by the effects of the drought."

Nevertheless, the heads of the agriculture department also listed many achievements recorded last year. On 1 July the Agricultural Restructuring and Debt Reduction

Foundation launched its operations. The foundation operates through the agency of 19 banks. By 31 December the banks received funds to the total of 1,155 billion zloty [Z] to be used as loans to agriculture. To date, 10 farmers took out loans in excess of Z1 billion each. Negotiations aiming to secure the final approval of a World Bank loan of $300 million are in progress. If everything goes well, the first $150 million out of that sum will be "activated" before the end of this year. "Our agriculture had no access to any external loans during 1992," Minister Janowski stated, adding that "an assistance fund for farmers was put into operation to counteract the results of the drought."

Expected Conflicts in 1993

"We agree with the Central Planning Agency [CUP] forecasts which predict a further decrease in agricultural production during the current year," Deputy Minister Dabrowski said. The leadership of the sector is also busy sorting out conflicts with other sectors. For example, negotiations with the Finance Ministry have so far yielded no decision on the principles of paying the Z1.5 trillion subsidy to the so-called "agricultural fuels" (as proposed in the new budget, as yet not approved by the Sejm.) Nor has an agreement been signed to date on the question of "compensation payments" in respect of prices of imported food produce. This week, the matter will be debated—for the third time—by the Economic Committee of the Council of Ministers [KERM]. On that platform, Minister Janowski will be opposed by Minister Jan Krzysztof Bielecki. However, according to Director Jacek Kozlowski of the Government Press Office, the whole question "has aroused a controversy of a much wider nature." "The question of the compensatory payments is included in the government program's agenda, not just in the ministerial program," Minister Janowski asserted. In the minister's opinion, the matter will be conclusively settled during the KERM session, and he was sure that the decision will conform with his wishes.

Janowski openly opposes the policy pursued by the State Treasury Agricultural Property Agency. He confirmed his criticism of the agency's line yesterday. He explained that one of his objections was that the agency was trying to force the government to accept "a program for the creation of very large agricultural farms." As head of the agriculture sector, he believed that the whole matter could be settled more easily if there was a change in the leadership of the aforementioned institution.

In reply to the question—asked by a GAZETA KRAKOWSKA reporter—how the agriculture department justified its decision to base the future of Polish economy on the "family farm" system, Deputy Minister Piotr Dabrowski asserted: "Family-run farms show greater economic efficiency and effectiveness as well as a higher degree of social organization. All developed countries now base their agricultural systems on family farming. It has never been proved that a farm extending over the area of 3,000-4,000 hectares is more economically effective—and even if it were, we still have the very strong social factors to consider. Labor relations in the rural sector are very different from those in urban areas. The carving up of the large state farms [PGR] is a matter of involved administrative operations which could well take up to 30 years."

Janowski said that the Agricultural Property Agency "would not be capable of rearing good farmers. Farmers are unable to buy or rent land out from the PGR complexes. I am most concerned about this," he added. The minister then stressed the need to preserve a flexible approach: It would be worth thinking of setting up quite large family farms, even up to 300 hectares. "There already are groups interested in setting up large farms on the basis of privatized PGR complexes," he said.

Success stories were reported, too. Deputy Minister Rey said that the restructuring of the dairy sector is proceeding very well, and that two reports are currently being circulated within the EC which suggest that within four-six years Polish dairy products could turn out to be very highly competitive in EC markets. "That is not bad!" Minister Rey assured his audience.

For the current year, Minister Janowski's priority tasks are to improve the operation of the Restructuring Foundation and to carry out vital transformations in the agricultural and food production industry (this involves working out better links and channels of cooperation between agricultural produce suppliers and the companies to which the produce is supplied). In addition, he believes that it is vital to coordinate resources for development of rural infrastructure, to submit a sound offer of a customs tariffs and rates system to GATT, and to address the task of restructuring the PGR network.

"We are firmly in favor of promoting Polish food, both at home and abroad. It only remains to hope that weather conditions are favorable this year and that there are no political upheavals," Minister Janowski stated in his concluding address.

Melescanu Meets Strasbourg Parliamentary Delegation

AU2801212793 Bucharest ROMPRES in English 2055 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—The parliamentary delegation that is to represent Romania at the session of the Parliamentary Assembly of the Council of Europe called Thursday, January 28, on the Romanian foreign minister, Teodor Melescanu, minister of state. The members of the delegation expressed their wish to be a substantial presence in Strasbourg and their decision to act—through their addresses and their personal contacts—for the creation of the prerequisites for Romania's adoption as a full member in the Council of Europe.

In turn Teodor Melescanu set forth a number of evaluations the Foreign Ministry had made concerning the possibilities for the carrying out of the procedures that will allow the Council of Europe to make a final decision on Romania's admission as a full member. He also spoke about several items on the session's agenda, setting forth the Romanian Government's official stand on those items.

Ministry Experts Hold Talks on Hungarian Treaty

AU2801212393 Bucharest ROMPRES in English 1838 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—According to a communique of the Romanian Foreign Ministry during the consultations in Bucharest of the negotiators designated by Romania and Hungary the sides found there had been progress over a number of issues like economy, culture, education, and consulates.

The sides also manifested the desire to initiate over the following period other actions in the field covered by the "aide-memoire" signed in May 1992. The Hungarian side was interested in the examination of several propositions it had made unilaterally in the fields of consular relations and minorities.

A new round of negotiations took place over the text of the draft treaty of understanding, cooperation and good neighborhood between Romania and Hungary. An exchange of opinions and propositions took place concerning the articles left unfinished after the first round in Budapest in January 1992 and the positions of the two sides on those articles were set forth.

The Romanian side came with new propositions for the texts of the articles referring to inviolability of the borders and to the treatment of people pertaining to national minorities. The Hungarian delegation said those propositions would be thoroughly examined and would be discussed at the next round.

The consultations took place in a pragmatic, open atmosphere and the negotiators showed their availability to further act in good confidence to identify mutually advantageous solutions to the issues on the agenda. It was agreed that the next round would take place in Budapest, at a date to be decided later.

Border Guards Fail To Stop Serbian Convoy

AU2801192393 Bucharest ROMPRES in English 1747 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—The three Yugoslav barge trains that are sailing up the Danube carrying diesel oil, thus breaching the UN embargo on Yugoslavia—Velebit, Kajmakcalan and Kumanovo—continue to refuse to obey orders to stop by Romanian border guards, border police and harbor masters in the Danube ports.

At 1300 Velebit was abreast of the port of Corabia, Kajmakcalan was abreast of Zimnicea—at anchor—and Kumanovo was sailing 15 km upstream of Giurgiu. Kajmakcalan had to stop near Zimnicea because two barges broke loose owing to the Danube's low level.

Spokesman of the National Command of the Romanian Border Troops Dragomir Horomnea told ROMPRES that the customs authorities as well as those of the border troops and Border Police would continue to pressure the three convoys into answering the orders to stop and anchor in the Romanian ports.

The actions will be in keeping with the existing laws, namely challenges in international code and by radio. So far the Serbia ships refused to comply and talk with the Romanian ports on the radio.

Spokesman Horomnea said a border guard motor boat had tried to block the convoys by zigzagging in front of them, but the latter ignored it and it had to give up for fear of being rammed.

Yesterday a Border Police launch that tried the same maneuvers was nearly sunk by one of the Serbian convoys.

Asked if force was going to be used, Spokesman Horomnea pointed out that the border troops' mission was to watch over the Romanian border and forbid trespassing, whereas the Serbian ships were sailing the international sector of the Danube and therefore did not trespass.

Measures Against Convoys Discussed

AU2801194393 Bucharest Radio Romania Network in Romanian 1800 GMT 28 Jan 93

[Text] A meeting between representatives of the Romanian and Bulgarian border authorities of the Calafat-Vidim sector and representatives of the customs authorities and harbor masters of Calafat and Vidim ports was held in the port of Calafat today to establish joint measures to stop the Yugoslav convoys that are sailing upstream on the Danube River, the National Command of the Border Guards announced.

When establishing the measures, the sides took into consideration the threat from the Bihac tugboat's commander

stating that the crews would set the ships on fire or pour the cargo into the river if they were stopped by force.

The National Command of Border Guards also announced that the Velebit tugboat convoy continued sailing tonight toward Calafat, the Kajmacalan tugboat convoy passed the port of Turnu Magurele and Gura Oltului, and the Kumanovo convoy, which was joined this afternoon by the Komovey tugboat, passed the port of Zimnicea.

In the meantime, the Braila port authorities have informed us that no other Serbian vessels have passed through that area.

Customs Intend To Stop Serb Barges at Calafat

AU2801212493 Bucharest ROMPRES in English 2049 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—The latest information from the National Border Guards Command show that the three Yugoslav barge convoys carrying oil products were still on the march up the Danube, after defying orders to stop at Romanian ports of Oltenita and Giurgiu. At 1700, the tug Velebit with its 10 barges was 90 km downstream from the Port of Calafat, Kajmakcalan with another 10 barges had sailed past Turnu Magurele and Kumanovo (12 barges) had passed Zimnicea.

Authorized sources informed that the next actions intended to stop the three sanction-busting convoys are going to be taken near the Port of Calafat, where the Romanian customs and harbor authorities have concentrated interceptor vessels and helicopters.

A ROMPRES editor learned that a joint action of the Romanian and Bulgarian customs and harbor authorities seems to have been planned Thursday [28 January], during a meeting of those officials.

Convoy Moves Through Calafat

AU2901092393 Bucharest Radio Romania Network in Romanian 0500 GMT 29 Jan 93

[Text] The Yugoslav Velebit tugboat convoy passed the port of Calafat at 0457, progressing upstream, heading for Yugoslav waters. It refused to respond to the Romanian harbor authorities and other official bodies present in the area.

The National Command of Border Guards has issued the following communique: With a view to observance of UN Security Council Resolutions 757 and 787 of 1992 imposing an embargo on the Federal Republic of Yugoslavia—Serbia and Montenegro—and in accordance with the Romanian Government's decision, the Romanian customs and border guard authorities continued their actions to halt the convoys of vessels sailing under the Yugoslav flag and transporting oil products on the Danube River.

Thus, using gunboats and motorboats of the border guards and of the Danube harbor master's offices, the Yugoslav convoys were intercepted as they were moving in the areas of the ports of Braila, Chiciu, Oltenita, Giurgiu, and Calafat. The Romanian authorities' boats circled the vessels and addressed them by radio and the usual signals of the international code. The boarder guards' boats also patrolled and accompanied the vessels by day and night over a distance of 20-30 kilometers, repeating appeals and warnings to stop and anchor along the Romanian riverside. Romanian Police helicopters overflew the areas where the convoys were advancing downstream from the ports of Oltenita, Giurgiu, and Calafat, at the same time as the harbor master's motorboats—with Romanian customs officials on board—were circling around them, repeating their calls to stop.

The Danube border guards' units organized a system for continuous observation and monitoring of the vessels along the whole sector of the river, continuously reporting the points passed by the Yugoslav convoys to decisionmaking bodies. Throughout the whole operation they had to keep in mind that loss of life and a possible ecological disaster—in the event the Yugoslav crews set fire to the vessels, as they had threatened to do if force were used against them—had to be prevented.

Cabinet To Urge UN To Support FRY Embargo

AU2901100993 Bucharest Radio Romania Network in Romanian 0900 GMT 29 Jan 93

[Text] During the cabinet meeting today the current situation regarding the nonobservance of the UN embargo by Yugoslav vessels advancing on the Danube was discussed. The interior affairs minister, the minister of foreign affairs, and the minister of waters, forests, and environmental protection highlighted the fact that in the coming hours and days other vessels sailing under the Yugoslav flag might violate the embargo. They emphasized that Romania has taken all measures it should to comply with the resolutions of the UN Security Council, but that there is a serious risk of pollution of the Danube and of the towns situated on the river banks, if oil were to leak from the Yugoslav vessels.

In these circumstances the cabinet assessed that steps should be hastened in urging the UN Security Council to support Romania's efforts to observe the embargo.

Roman on FRY Ships on Danube, Visit to Britain

AU2801212293 Bucharest ROMPRES in English 1923 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—Thursday, January 28, during the news conference of the National Salvation Front (FSN), its president, Petre Roman, opined that with respect to the situation on the Danube Romania must ask for full equal status with all the other countries that accept and enforce the UN embargo on Yugoslavia.

Petre Roman also made a brief survey of his future political tour in Great Britain, with a special mention for his stop in Luxembourg where he was invited by the EC to lecture on the economic and political relations between the EC and East Europe.

Mission to Council of Europe Discussed

AU2801181493 Bucharest ROMPRES in English 1613 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—In the meeting with the members of the Romanian Parliament's delegation that will participate in the Parliamentary Assembly of the Council of Europe, Oliviu Gherman, president of the Senate, asked the Romanian parliamentarians to present Romania's image the way it really is, showing optimism about the country's application for full membership of the Council of Europe. He said Romanians had the right and duty to belong to that interparliamentary body, hoping that the European forum would understand how profitable Romania's admission to that body would be for the equilibrium of Europe.

In turn, Chamber of Deputies Speaker Adrian Nastase made a point of stressing the necessity that the country's interests should prevail in the actions abroad over the party interests. Stressing the outstanding importance of Romania's participation in the Council of Europe as full member, Adrian Nastase reiterated the hope that it would change the attitude of so far toward Romania.

Referring to the situation created on the Danube in connection with the breach of the embargo by Yugoslav ships, Adrian Nastase stressed that "Romania is made recommendations by international fora as if they did not know where the Yugoslav barges sailing on the Danube come from," assigning only to Romania the task to overcome the difficult situation.

The members of the parliamentary delegation to the Assembly of the Council of Europe expressed during the meeting their standpoints on their mandate, on the positive settlement of Romania's admission to the Council of Europe as full member.

Iliescu Views Importance of Nuclear Plant

AU2801212493 Bucharest ROMPRES in English 1829 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—Thursday, January 28, on a visit to the building site of the Cernavoda Nuclear Plant (southeast Romania), Romanian President Ion Iliescu was informed about the progress at the first two power units and about the programme for nuclear energetics.

The whole plant at Cernavoda comprises five power units, which could yield at normal capacity about 30 per cent of Romania's supply of electricity. Right now, 74 per cent of unit one is completed and it is scheduled to start functioning by the end of 1994.

In a short statement to the press President Iliescu underscored the necessity to continue works at Unit Two, and if financial resources are found it could become operational by the end of 1997.

The presence of the Romanian president at Cernavoda also meant a meeting with the representatives of the companies that participate in the plant's building and with trade union leaders, as well as a short visit at the site's polyclinic, the campus of the foreign specialists and the site's kindergarten.

President Iliescu is accompanied by Dumitru Popescu, minister of the industry, Aurel Constantin Ilie, minister of the waterways, forests and environment protection, Marius Guran, presidential counselor and Aureliu Leca, chairman of the RENEL public corporation for electricity distribution.

Senators, Moldovan Officials View Security Issues

AU2901100493 Bucharest Radio Romania Network in Romanian 2000 GMT 28 Jan 93

[Text] This afternoon members of the Romanian Senate committee for defense, public order, and national security met with a Moldovan parliamentary delegation including Mihai Druta, secretary of the committee in charge of state security and military issues, and committee member Valeriu Daraban.

The Romanian senators and the Moldovan parliamentarians discussed issues of joint interest. After the meeting, Senator Alexandru Radu Timofte, chairman of the committee, said that the sides held a broad exchange of information on Romanian legislation regarding the defense of the state and national security and on draft laws in this area; drafts that the parliament will examine soon.

The Chisinau parliamentarians were greatly interested in the law on Romanian borders, which were approved by the previous parliament, because it faces great problems with smuggling from the east of weapons, drugs, and illegal immigrants, problems that also affect Romania. Likewise, the sides established ways to cooperate and exchange information in the future.

Paper Carries Decisions of 3d UDMR Congress

AU2701104693 Bucharest ROMANIAI MAGYAR SZO in Hungarian 22 Jan 93 p 1

["Decisions of the 3d RMDSZ Congress"]

[Text] The 3d Congress of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] accepted:

1. The modified program of the Union.

2. The statute decisions reflecting the basic principles of internal self-determination in the structural model of the Union.

3. Article 8 of the Temesvar [Timisoara] Declaration and its implementation.

4. The RMDSZ elected the leading officials of the Union, as well as the Deputies' Council, the Statute Supervisory Committee, the Ethical Committee, and the Control Committee.

5. The congress committed the RMDSZ to the continuation of the direction of the Romanian revolution of 1989 and the democratic restructuring, as well as to the continuation of the spirit of Temesvar; it demands administration of justice in the case of the victims of bloody events in Temesvar, Bucharest, Marosvasarhely [Tirgu Mures], Szeben [Sibiu], Kolozsvar [Cluj], and other places.

6. The congress regards it as necessary to continue the national and national minority rapprochement that took place during the events in Temesvar in 1989 and later all over the country.

7. The RMDSZ regards as its major political goal to serve the economic crisis management and economic development, and the congress stipulates the creation of an Economic Council for solving the economic problems facing the Hungarians in Romania.

8. Given the serious economic situation that is already threatening Romania's stability and given the fact that this crisis represents a fertile soil for communist restoration and the advance of extremist nationalism, the RMDSZ calls upon the U.S. Congress to provide the most-favored-nation status to Romania, something also desired by the Democratic Convention in Romania. Aware of the fact that Romania's leadership is far from fulfilling the requirements connected with this trade benefit, we are submitting this request for support on behalf of our country's impoverished and destitute nation, and we call upon the U.S. Government to consistently supervise the use of this trade benefit in the interest of the people.

9. The RMDSZ calls upon the legal and representative organizations of Hungarians in the Carpathian Basin to organize a minority Hungarian forum in Strasbourg to present the life of the Hungarian communities and to mobilize the democratic forces in Europe in order to solve the situation of the Hungarian national minority.

10. For the first time in the world, a law on freedom of conscience and religion was drawn up in Torda 425 years ago, in January 1568. On the anniversary of this religious tolerance in Transylvania, a tradition in line with the spirit of Temesvar, and as an example in the current tense conditions in Central-East Europe, the RMDSZ 3d Congress declares 1993 as the year of Transylvanian Tolerance, and calls for anniversary programs and festivities to be organized in the spirit of national rapprochement, with the participation of various churches and national minorities in Romania.

11. The RMDSZ again initiates the convening of the Romanian-Hungarian roundtable and a national ecumenical meeting with the participation of eminent representatives of the civil society to methodically discuss the issues of interethnic relations.

12. The RMDSZ expresses its demand to participate in the preparation of the Romanian-Hungarian interstate agreement according to the principle that we are entitled to express our views on issues that affect us.

13. The RMDSZ respectfully proposes that Romania also sign the European Charter of Regional and Minority Languages.

Brasso [Brasov], 17 January 1993, signed: Bela Marko, RMDSZ chairman; Laszlo Tokes, honorary RMDSZ chairman.

UDMR President Discusses Union Reorganization

AU2801212193 Bucharest ROMPRES in English 1902 GMT 28 Jan 93

[Text] Bucharest, ROMPRES 28/1/1993—Appreciating the recent congress of the Democratic Union of Hungarians in Romania (UDMR), the new UDMR President Bela Marko showed that the current programme adopted by the congress meets the requirements of the Hungarian minority of Romania and proposes at the same time a framework for "a profound democratization of the entire Romanian society."

In the same context Bela Marko noted that so far "the power has tolerated abusive manifestations, displaying no intention to put an end to them. Therefore, essential changes are necessary in the attitude of the power."

The new UDMR president informed the journalists that his party was in a full process of internal reorganization and that new leading structures were being created: the Council of Representatives—the body that will make the UDMR decisions from now on—and an Advisory Council.

Negritoiu Assesses Upcoming World Economic Forum

AU2801203793 Bucharest ROMPRES in English 1832 GMT 28 Jan 93

[Text] In a statement to the press before leaving for the annual meeting of Davos, Minister of State Misu Negritoiu, chairman of the Council for Coordination, Strategy and Economic Reform, said that "Romania's message at the meetings I will have in Switzerland and France is its desire for international cooperation, for openness towards the political and economic world, to continue reform and privatisation, to become integrated in the European and international economic structures, to restructure economy according to the principle of international specialization, to develop current contacts, to devise new projects for investment and economic cooperation."

SDA Leader Discusses Situation in Bosnia

AU2801182793 Zagreb VECERNJI LIST in Serbo-Croatian 16 Jan 93 p 15

[Interview with Mirsad Ceman, president of the Democratic Action Party of Bosnia-Hercegovina by Andrija Tunjic; place and date not given: "We Are Ready To Compromise"]

[Text] In Zenica, while I am waiting for the president of the Democratic Action Party [SDA] of Bosnia-Hercegovina to receive me, the phone rings. After the Geneva negotiations, the party branch offices are calling just to see whether they have correctly understood the news from Geneva. The secretary says that this is nothing unusual and that everything is under control. Then the door opens and the SDA president greets me warmly. Before we start the interview he offers me some coffee.

[Tunjic] After the Geneva negotiations, of what kind of model for Bosnia-Hercegovina are you in favor?

[Ceman] Well, I think that the option I am in favor of has not been ruled out. The Geneva proposal, as explained by the Bosnia-Hercegovina Government delegation, and you will recall the earlier positions of both the government delegation and the SDA, is a proposal which states that Bosnia-Hercegovina should be a democratic, modern state, highly decentralized, with provinces that will not have the characteristics of states. We also believe that an ideal solution for everyone would be for the sovereignty of each ethnic group to be respected throughout Bosnia-Hercegovina and that the necessary mechanisms be enacted to guarantee their rights. At the same time, this means that only the state of Bosnia-Hercegovina would have international legal status. The opinion of the terrorist Serbian Democratic Party [SDS], which believes that Bosnia- Hercegovina should be a state comprising Serbian, Croatian and Muslim states, each recognized internationally as sovereign, is unacceptable to us.

[Tunjic] It seems that even the Serbs agree with the Geneva proposal.

[Ceman] I do not believe that. They wanted a Bosnia-Hercegovina comprised of several states. At the recent convention in Zenica, we stressed again that Bosnia-Hercegovina is not at war with the Serbs, but with those among the Serbian people who have embraced the fascist, genocidal, and terrorist philosophy of the SDS.

[Tunjic] What do you think of the 1:1:1 ratio?

[Ceman] We think that this ratio should exist on the state level. At lower levels, however, it should be in proportion to the population. But this is something that would have to be discussed. Moreover, we believe that this ratio, in the case of the chetniks, is unacceptable.

[Tunjic] What can you say about the Serbian fear of an Islamic state?

[Ceman] This is a very transparent maneuver aimed at winning the Serbian people over to the concept of Greater Serbia. It is not fundamentalism when someone frequents a mosque!

[Tunjic] What if he uses the greetings "Selam aleikum" and "Alah manet" in public institutions?

[Ceman] Selam aleikum means peace on you, and Alah manet means I leave you in God's trust. Why should that constitute proof?

[Tunjic] You have mentioned the Bosnian language several times. Is this your official language?

[Ceman] According to the current Constitution, the official language is either Serbo-Croatian or Croato-Serbian of the jekavian [ijekavica—dialect of Serbo-Croatian or Croato-Serbian] variety. In the new system, the Serbs call their language Serbian and the Croats call theirs Croatian, so I think we have a right to call ours Bosnian. We do not know whether this is known, but in 1907 Austria issued a decree which prohibited the use of the adjective Bosnian. This was a historical precedent and unacceptable conduct. In the last census, 90 percent of Muslims said they spoke Bosnian.

[Tunjic] Is this warranted? Is this not just taking words from Serbian and Croatian?

[Ceman] Our linguists believe that it is a reclamation, because the part that was taken by both Serbian and Croatian is part of the Bosnian linguistic wealth. At Porta, while Bosnia was part of the Ottoman Empire, the official language was Bosnian, which means that the language we speak was present in this area in earlier times. Later, a policy with which we are all familiar consciously eliminated it. The Novi Sad Agreement did not take into account the language spoken by Muslims. You see, the Serbs and the Croats agreed on a convention whereby an almost identical language became known as Serbo-Croatian or Croato-Serbian, which was also an expression of the policy conducted at the time. Nowadays they are defining it in the way they believe it should be defined. By the same token, no one can deny the Muslims the same right.

[Tunjic] Does this mean that there should be three official languages in Bosnia-Hercegovina?

[Ceman] You could say that this is essentially the same language, very similar, with certain sub-variants. Linguists can say the most about this. But the Muslims want their language to be called Bosnian.

[Tunjic] What about the official language?

[Ceman] Well, 90 percent of Muslims speak this language.

[Tunjic] What do you think of Muslims who feel they are Croats?

[Ceman] They have the right to feel that way, as long as this is not the result of political pressure or a means of getting ahead.

[Tunjic] What do you think of Mak Dizdar [Bosnian poet], who referred to himself as Croatian?

[Ceman] At that time, Muslims were under pressure to assimilate. In view of the circumstances, it is not surprising that some people identified themselves in this way. Maybe it was a reflection of the atmosphere. The fact remains that Mak Dizdar was a product of Muslim culture and that he was an absolute Muslim.

[Tunjic] What about Mesa Selimovic [Bosnian writer]?

[Ceman] It was all a policy based on arrogance and robbery.

[Tunjic] Are you afraid of Muslim extremists?

[Ceman] Which extremists? How do you mean that?

[Tunjic] You know, extremists. Those who want a Muslim state with the sharia as its principal law?

[Ceman] We are not afraid of that because it is not an overall tendency. It is not even overly accentuated, but it has been exaggerated by the media. Two or three people somewhere say they want this and it is immediately broadcast all over the place. Certain media are favoring certain policies in order to frighten Europe and the rest of the world.

[Tunjic] There are, however, examples of media errors on your side too. In my hands I have a copy of LJILJAN, a publication of the Bosnia-Hercegovina Army. In it there is an interview with the commander of the 102d Posavina Brigade. It does not say anywhere that this is the Croatian Defense Council [HVO], although everyone knows it is.

[Ceman] I do not know. Why not ask the author? Do you know what the national structure of this brigade is?

[Tunjic] There are those who say that they were not ready for a war with the Serbs, but that they are ready for a war with the Croats if Bosnia-Hercegovina does not turn out the way the Muslims want it.

[Ceman] If a handful of people say this, then these statements ought not to be taken seriously. Maybe people are afraid that a local incident might evolve into a full-scale conflict. We are of the opinion that this would be fatal for both the Muslims and the Croats, and we are doing everything to avoid it.

[Tunjic] How do you interpret the statement of Dzemal Najetovic, an officer in the Bosnia-Hercegovina Army, who says that the Muslims should have entered into a coalition with the Serbs and against the Croats?

[Ceman] I have not heard of this statement, but I will tell you this much: The Muslim people choose to cooperate with their friends. We believe that the Croatian and Muslim people are bound together by friendship and that this friendship should not be abused. As for there being someone who differs with official policy, well, that is normal too, right? I am sure that such people exist on both sides, just as there are those who regret that Yugoslavia fell apart.

[Tunjic] In the Army there are a number of officers of the former Yugoslav People's Army who have bloodied their hands in Croatia.

[Ceman] You have them in the Croatian Army as well. There is something that is normal in the case of the Croats, Serbs or Slovenes, yet it is not normal in the case of the Muslims. From being Yugoslavs they can all become Croats, Serbs, Slovenes, etc. It is only the Muslims who cannot become Muslims all over again. If such individuals exist, let it be proven who they are.

[Tunjic] Could it happen that Bosnia-Hercegovina could enter into a confederation Yugoslavia, with Serbia and Montenegro?

[Ceman] That is out of the question. I cannot speculate on what might happen 100 or 200 years from now, but for the time being, this is ruled out. Bosnia-Hercegovina is a sovereign state and it wants to conduct an independent policy.

[Tunjic] Allow me to ask you a hypothetical question. If you were to achieve a Muslim state, what kind of state would it be?

[Ceman] We are not striving for a Muslim state. We simply believe that it would be best for Bosnia-Hercegovina to be a civil state in the European sense, a state that does not neglect national interests and one where every ethnic group has sovereignty over the whole territory. Therefore, reducing Bosnia-Hercegovina to a Muslim state would be against the interests of the Muslims as well.

[Tunjic] How influential is religion in creating SDA policy?

[Ceman] We respect spirituality. As an institution, the Islamic religious community does not have direct influence on the creation of state policy, so I want to assure all who fear fundamentalism that this fear is completely unfounded. True, the religious community has more maneuvering space now than it had earlier, so this may be the reason for this fabrication on the part of the former "democrats."

[Tunjic] What are your relations with the Croatian Democratic Community [HDZ] in Bosnia-Hercegovina like?

[Ceman] Normal.

[Tunjic] There are some differences when it comes to defining Bosnia-Hercegovina as a state. Why do you object to provinces like the ones proposed by the Croats, especially since their proposals correspond to the ones

proposed by the international negotiators? Do you think that it will be the rest of the World who will decide?

[Ceman] I do not believe that the rest of the world will decide on the internal organization of Bosnia-Hercegovina without our participation. International influence is great, but I believe that we shall have a say in the matter. We are ready to compromise, but we cannot accept three states in Bosnia-Hercegovina. Especially since the Serbs believe that what is theirs can only be theirs and no one else's. Herceg-Bosnia has been formed on a similar basis. Herceg-Bosnia encompasses what the crowd around Mate Boban decided it should encompass. Did anyone in these areas ever ask the Muslims whether they agree with this? We believe that Zenica, where you are at the moment, belongs to the Croats and to everyone else who lives on it. Why shouldn't Croatian territory include Banja Luka, Velika Kladusa, or Bijeljina? In this sense, we do not agree with the concept proposed by the HDZ, although we do not doubt the good intentions behind it. We know that it is all in the name of finding the best possible solution for Bosnia-Hercegovina. If the Croats are motivated by fear, however, they should talk to us about it.

[Tunjic] How many Croats are serving in diplomatic missions?

[Ceman] The prime minister of Bosnia-Hercegovina is a Croat and he has the right to request that the ministry change this ratio. It is logical that this ratio should be different than it is at the moment.

[Tunjic] After the Geneva negotiations, the Croats in Zenica are already discussing relocation. How realistic is this?

[Ceman] The people do not want this, nor is it SDA policy. We want to liberate the entire territory of Bosnia-Hercegovina and return the people to their homesteads, even though they have been burned. The people do not want relocation, but they do want policies that include the international factors.

[Tunjic] In a way, is not the SDA also included in this policy?

[Ceman] No, it is not! They tried to force us to accept this policy, but we said no and that there was to be no trading with territory.

[Tunjic] Does the state of Bosnia-Hercegovina exist and does it function?

[Ceman] It functions. Here in Zenica, in Tuzla, in Tesanj, even in Mostar in a certain way, and in Sarajevo, although with great difficulty. Considering the amount of affection for it, it is a good thing it functions at all.

[Tunjic] Do you believe that the Croats have insufficient affection for Bosnia-Hercegovina?

[Ceman] I was not thinking of them. What I meant is that considering how carefully the Chetniks prepared everything, it is good that the state functions at all.

[Tunjic] Tell me, as an SDA official, before the conflicts in Travnik, did Alija Izetbegovic visit Travnik?

[Ceman] He did not visit the SDA headquarters. He talked to the official municipal authorities in that area. I was not here at the time and I do not know....

[Tunjic] There are rumors that nobody talked to the Croats? I am asking you about Travnik and Novi Travnik. This was two days before the fighting broke out?

[Ceman] What are you trying to say, that Alija ordered....

Alija Izetbegovic was here as a state official, he was visiting the municipalities. Maybe he should have scheduled a visit to the HVO.

[Tunjic] Mr. Ceman, are there individuals in your party who believe that the Muslims can solve the fate of Bosnia-Hercegovina on their own, that they can create the state of Bosnia-Hercegovina by themselves?

[Ceman] No, but many people are afraid of the Muslims, of their number, and they are stopping them from arming and defending themselves from the aggression. You know, the Muslims do not want to liberate Bosnia-Hercegovina by themselves because they consider it to be the state of all those who live in it.

[Tunjic] Do you believe that the HVO saved Bosnia-Hercegovina from total enslavement?

[Ceman] I do not believe that they were the only ones to do so. The Muslims too, were organized in many areas. It is dangerous to say that the Croats, or the HVO defended Bosnia-Hercegovina, in the same way that it is dangerous to claim that the Muslims were the only ones to defend it. They both defended it, depending on how organized they were.

[Tunjic] At the time of the war in Croatia, Alija Izetbegovic announced that this was not your war.

[Ceman] Do you know why Alija Izetbegovic said that the war in Croatia was not our war? Because the Muslims in Bosnia-Hercegovina did not want the Yugoslav People's Army to mobilize them to fight against the Croats.

[Tunjic] Why was the truth about Ravno [not further specified] suppressed?

[Ceman] I do not think the truth was suppressed. I think it was revealed, but not to the extent that it should have been. Maybe not to the extent that someone thought it should have been revealed.

Commentator Views Muslim-Croatian Discords

AU2801113993 Zagreb LJILJAN in Serbo-Croatian 18 Jan 93 p 9

[Commentary by Nerzuk Curak: "The Army of Bosnia-Hercegovina Has Saved Croatia"]

[Text] The recent mobilization carried out in Serbia leaves no place for doubts about the intentions of Milosevic's national-socialist regime. The further aggressive vanquishing of other countries and killing of their people is the leitmotif for a new mobilization wave, in a new attempt to create a unified Serbian area over the corpses of innocent Balkan peoples. According to some intelligence reports, 250,000 people have been mobilized in Serbia since the elections. In the history of that bellicose country, it has never been the case that the mobilization of so many people did not end up in some large-scale war. Certainly, Serbian policymakers are quite proud of their capability to cause such a war. Such a pure inferiority complex! However, what are we supposed to do to prevent fresh Serbian attacks on Bosnia-Hercegovina? It is obvious that Milosevic will try to send a part of that lot to Bosnia, and let them help themselves to another portion of Muslim and Croatian blood. One has to be absolutely prepared in both military and political terms, because only we alone, in our own country, can effectively defeat this Serbian fascism. There is not going to be any foreign military intervention, which actually forces us to trust in our own powers and believe in the possibility of a final victory over the Serbian gangs, thereby opening a new political base for the constitutional concept of Bosnia-Hercegovina. So, our first priority is to win back the occupied territories. With ever larger free territories being liberated by the legitimate Bosnian Armed Forces, conditions are emerging for the establishment of the rule of law, which is to say, the possibility of setting terms for a new political settlement, even if that means radical changes to the constitutional outline agreed upon in Geneva. Therefore, consistent support for the further development of the Bosnian Armed Forces is extremely important as a crucial precondition for Bosnia's survival as a sovereign European state. Of course, that presupposes the development of all its components, meaning the Army of Bosnia-Hercegovina [BH Army], as well as the Croatian Defense Council [HVO] and the Croatian Defense Forces [HOS]. In order for the development of the Bosnian Armed Forces to follow the right course—the course of freedom, which is the only present need of Bosnia-Hercegovina, certain facts must not be hidden, but loudly stated. It is not a question of ideological whims, but rather some elementary facts, which, deprived of media coverage, remain within a tight-lipped circle of people, thereby damaging our struggle. The fact that must be stressed is that the Croats have three armies at their disposal—the BH Army, the HVO, and the HOS, while the Muslims have only one—the BH Army, which numbers among its personnel many ethnic Croats. On the General Staff alone 18.3 percent of the officers are Croatian, which is a larger proportion than that of the Croatian population in Bosnia-Hercegovina. Such a fact favors the BH Army as the armed formation that also incorporates the essential needs of the Croatian people at this moment. This conviction can be also supported by the very poor observation that actually, the BH Army is contributing to Croatia's interests, because that army has taken upon itself most of the load that would have been by now on the Croatian back, had it not been for the Muslims and the BH Army. Not to mention the possible collapse of the Croats in Bosnia, who would probably have been slaughtered and erased from any future role in Bosnian history, had it not been for the Muslims and the BH Army because 17 percent of Croats would have had no protection against the Serbian military machine. Therefore, the Muslim people have already played a significant role in defending Croatia, for, without them, Bosnia would never have been at war, and the main target of the Serbian fascists would still have been Croatia. The Chetniks placed their center of gravity in Bosnia only because of the Muslims. Now, in such a concrete situation, the Muslims have only one army and it has been constantly crippled by the subversive actions of the HVO, preventing it, the BH Army, from arming itself, from Mobilizing more people, and from conducting successful actions. Of course, such conduct on the part of the HVO leads to unnecessary clashes between both Croats and Muslims.... Some Croatian officers are even abusing their positions within the BH Army for various political purposes, which is a further attempt to clip the BH Army's wings.

So, although they are allies against Serbian aggression, the BH Army and the HVO are still based on different political platforms. Were this not so, then the single, joint army would have been adequate. However, two armies would not be a problem at all, for these two armies have many goals in common, were it not for one essential little point. Namely, we have already seen that there are many ethnic Croatian officers in the BH Army, some of whom are really excellent, such as Stjepan Siber, for example, but in the HVO there are no Muslim officers. In the HVO Muslims can only be privates. On the other hand, in the BH Army the number of ethnic Croatian privates is quite small compared with the number of ethnic Croatian officers. Although it is of crucial importance that the BH Army has ethnic Croatian officers, the Muslims would like to see more ethnic Croats as ordinary soldiers on the front lines in the BH Army. This means that, in resisting the Serbian-Montenegrin aggression and the ethnic Serbian butchers, it would be only logical and fair for the HVO (if it supports a unitary Bosnia) to have Muslim officers, which would bring the Croats and Muslims closer together. Then it would not matter where the Muslims or the Croats were fighting, or for which army. However, that is only one side of the problem. The other side, that in a sense concedes the point to the Croats, but without justifying them, would be the Muslims themselves. What happened is that some parts of the military police, and the special service troops, have started to retaliate. Their targets are mostly Serbian and Croatian citizens of

Sarajevo, but also sometimes Muslims. The fact is that the retaliation has been carried out by Muslim units, and I personally would like to add something—if my future should depend on some Cela, Topa, or Juka [typical Bosnian Muslim names], or their "maecenas,"[patrons] such a Bosnia-Hercegovina would not be a place where I would like to live, and the same goes for the majority of citizens, regardless of their nationality. So, it is possible that some ethnic Croats, witnessing such behavior from some Muslim units, as well as the sluggishness and inconsistency in isolating them, have simply turned to the HVO, and distanced themselves from the BH Army. Such behavior by some Muslim units has been quite certainly acted as a brake on a larger recruitment of Serbs into the BH Army. However, that is not the main point. The BH Army is probably the most open armed force, and the most acceptable environment for all those who favor Bosnia-Hercegovina as their motherland, and not as a satellite of some other country. If the HVO and the HOS start eliminating those that are trying to subvert Bosnia-Hercegovina, which is particularly obvious in one detached wing of the HVO, then both of them, allied with the BH Army, will become the new foundation for a final victory over Milosevic's fascist aggression. And that victory is the only important thing....

Muslim Attacks on Croat Positions Continue

LD2801151593 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 28 Jan 93

[Report by correspondent Slavko Rako from Mostar]

[Excerpt] Muslim attacks on the Croat Defence Council (HVO) are continuing. Following a quiet night and morning, Muslim units attacked Croatian Defense Force [HVO] units and Croat parts of Busovaca with all available means at about 1300. In a brief statement from the Mostar HVO defense department, Dario Kordic, vice president of the Croat community of Herceg-Bosna from Busovaca, said that Muslim forces are using tanks in this latest attack. There is no other available information at this time.

The attack occurred while talks between Brigadier Milovoje Cvetkovic and his aides, on the [Croat] side, and on the [Muslim] side, Jasmin Jaganjac, Alija Izetbegovic's military adviser, and Alif Pasalica, commander of the Mostar-based Fourth Corps of the Bosnia-Hercegovina Army, are underway in the main headquarters of the Armed Forces in Mostar. The talks are focusing on the issue of joint command, as ordered by Mate Boban and Alija Izetbegovic in their joint statement. [passage omitted]

UN Reports Cease-Fire Holding in Central Bosnia

AU2801154993 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 28 Jan 93

[Text] In accordance with the order by Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, and Mate Boban, president of the Croatian Democratic Community of Bosnia-Hercegovina, the press service of the Bosnia-Hercegovina Army has issued a statement that last night Sefer Halilovic, commander of the Supreme Command of the Bosnia-Hercegovina Armed Forces, sent out an order to the units of the Bosnia-Hercegovina Army to stop fighting against the Croatian Defense Council [HVO].

At the same time, Milivoje Petkovic, commander of the HVO headquarters, sent out an order to HVO units, forbidding them from taking any offensive action against units of the Bosnia-Hercegovina Army and from instigating any internal clashes. Petkovic's order also demands that all misunderstandings with the Bosnia-Hercegovina Army be solved through negotiations with the relevant officers. [words indistinct] operative zones to make immediate contact with the relevant officers of the Bosnia-Hercegovina Army in order to form joint commands. The officers' proposals for joint commands are to be presented to the HVO headquarters by 1 February. Commanders of the operative zones of the HVO are obliged to establish immediately the causes, reasons, consequences, and responsibility of the members of HVO units and the Bosnia-Hercegovina Army for clashes in the zones of their responsibility, reads the order of the commander of the HVO headquarters.

It was announced today in the Sarajevo headquarters of the UN peacekeepers, that after intensive negotiations between representatives of the Bosnia-Hercegovina Army and the HVO, the situation in central Bosnia is much calmer. There has been no fighting in Gornji Vakuf, while the situation is much calmer in Busovaca, where only a few cases of fire from infantry weapons have been registered. Last night there was an explosion in Kiseljak, but it did not cause much damage. A cease-fire, which came into effect at midnight two nights ago, had been agreed on in Kiseljak between representatives of the Bosnia-Hercegovina Army, the HVO and UNPROFOR. Because of this cease-fire, the convoys with humanitarian aid can pass through more easily now in central Bosnia. The Kiseljak-Busovaca-Vitez road should be open today [words indistinct] and Kiseljak-Visoko. The road between Vitez and Gornji Vakuf is open only for military vehicles.

Foreign Minister Interviewed on Situation

NC2801183093 London MBC Television in Arabic 1509 GMT 28 Jan 93

[Interview with Bosnian Foreign Minister Haris Silajdzic by Antoine 'Awn in the MBC studios in London; date not given—recorded]

[Excerpt] ['Awn] Your excellency, you shoulder responsibility for you Ministry along with the tragedy of your people. Do you believe that a solution to this tragedy is approaching?

[Silajdzic] Politically speaking, the tragedy may be moving toward a solution; however, the actual tragedy is the daily life of our people. It has become a hell. We fear

that this tragedy still exists, and that, regrettably enough, it will continue for the next few months. That is why we asked the world community to immediately place all heavy weapons under the control and supervision of the United Nations, the EC, or NATO. As long as these weapons are in the hands of the Serbian aggressors, there will be no peace in Bosnia-Hercegovina.

['Awn] You agreed to the international peace plan, although it implicitly rewards the Serbs for what they have done. Was your agreement the result of the actual military situation or made for humanitarian reasons?

[Silajdzic] We did not accept the results. We are still resisting this aggression strongly and firmly. The truth is that Bosnia-Hercegovina is fighting alone. The Western community has not upheld its principles, although we are part of Europe. Some 200,000 persons have been killed. What could we do? We had to accept certain principles and make certain concessions because nobody actually backs Bosnia-Hercegovina. Out of a population of 4.5 million, 1.5 million have immigrated and 200,000 have died. We had to accept those proposals.

However, the lands that were subject to ethnic cleansing, mass expulsions, or genocide were inhabited by Muslims. We cannot leave them under Serbian rule. We do not accept that, and we said that clearly. We clearly asked Cyrus Vance and Lord Owen to redraw the borders of these provinces. Aggression and the use of force are unacceptable as a world policy. [passage omitted]

['Awn] The POW issue is no less important than any other. A few days ago, France announced that it would take a unilateral measure to free the POW's. What is the nature of that measure?

[Silajdzic] I only heard that the French minister made a statement to that effect. I do not know the details. We welcome anybody who wants to rescue these innocent people from prisons and detention camps. However, we do not see actual action. As usual, and as far as Bosnia is concerned, there is mere talk and no action.

['Awn] The Islamic countries, particularly Saudi Arabia, demanded strong military action to enforce the resolutions of the UN Security Council, the United Nations, and the UN General Assembly. Do you expect the world community to respond to this demand soon should negotiations fail?

[Silajdzic] This is a very hard question. If the international community and the Islamic community put enough pressure on the West, something can happen after nine months. The problem is that time is running out and people are dying of hunger and cold and still we see no action. Direct pressure must be put and a special timetable must be developed for that action. We hope the new U.S. administration, led by President Clinton, will be more responsive to the humanitarian needs and will be consistent with the principles it has established.

['Awn] You talked about the Bosnians sufferings. Can we talk about the resistance? How do Bosnians live and resist at the social and military levels?

[Silajdzic] As for social resistance, we try to survive. This is our resistance. The original plan was to mount a swift military offensive on Bosnia-Hercegovina and to defeat the country within two weeks. This means that survival and unrelenting resistance must be our primary goal.

When it comes to the military aspect, we lack weapons. Some individuals and states have helped us get defensive equipment, some of which are sophisticated. That is how we have managed to check the offensive. We destroyed over 100 Serbian tanks in northern Bosnia this month alone, thanks to the defensive equipment we obtained through the responsiveness of certain individuals and governments. We also obtained some humanitarian aid.

However, the problem is that this is not enough. Time passes and people die. The enemy is taking winter into consideration. They also take into consideration the psychological state of the people and their morale. People die; there is no energy, no medical equipment, and no food. The situation will be more difficult in a month. It is almost like the stone age. This, of course, keeps morale low. However, thank God, we managed to organize a strong and firm resistance and run our daily lives as best we can. I believe that we have succeeded in that so far. [passage omitted]

['Awn] What do you say to millions of Arabs and Muslims from MBC studios?

[Silajdzic] First of all, the people and government of Bosnia-Hercegovina have tried with all available resources to cooperate with the resolutions of the Arab household. We want peace. However, the world community has not done its duty. We see in friendly states and peoples a chance to pressure the United Nations. All we really want if for the UN resolutions to be enforced. We cannot help but ask why the UN Security Council resolutions on Bosnia-Hercegovina have not been implemented.

We appeal to all our friends, individuals and governments alike, to pressure the United Nations, particularly the Security Council, and all the states, particularly in the West, to consider the status of the innocent civilians who are dying by the hundreds everyday in Bosnia-Hercegovina and who cannot afford to wait for a political solution.

We demand political support for an immediate action to place all heavy weapons under UN control or to immediately lift the weapons embargo on Bosnia-Hercegovina.

['Awn] Mr. Minister, in the name of MBC, we thank you for this interview. We hope we will see peace soon in Bosnia.

[Silajdzic] Thank you.

Heavy Fighting Continued by Muslim Forces

LD2801155793 Belgrade TANJUG in English 1535 GMT 28 Jan 93

[Text] Skelani, Bratunac, January 28 (TANJUG)—The Moslem forces renewed artillery and infantry attacks in several directions on the eastern Bosnia Serb municiplities on Thursday [28 January], along the Drina river at the border with the Federal Republic of Yugoslavia (F.R.Y.).

TANJUG learned from the Bosnian Serb military sources that there was heavy fighting along a front that was several tens of kilometers long. The defenders of the Serb municipalities of Rudo, Skelani, and Bratunac were retaliating strongly and at many directions pushing back the attackers, the Serb military sources said. The same sources said the Serb fighters have advanced considerably on the fronts around Rudo, Skeluni and Bratunac.

The Moslem attacks from the direction of Srebrenica on the battlefront in the Serb municipality of Skelani were repelled on Thursday, as the Serb fighters pushed significantly deeper the attackers in the entire area. Fierce artillery and infantry fighting was going on also east of Bratunac, in the area of Zaluzje, Kunjarac and Bjelovac, from where the Moslems from Srebrenica and their foreign helpers attacked on several occasions in the course of the month the territory of the F.R.Y. with artillery pieces and infantry weapons.

Fire was opened also on the territory of the F.R.Y. in the night of Wednesday-Thursday, TANJUG learned from the Yugoslav Army border units command in Bajina Basta. The Bosnian Serb military sources said part of Zaluzje was liberated, as the advance of the Serb forces "proceeded gradually, but forcefully."

There was heavy fighting also west of Bratunac, especially in the area of Konjevic Polje and Kravice, so as to prevent the Moslem forces from reaching the Drina river left bank at this particular point as well as the areas downstream towards Zvornik, the Bosnian Serb military sources said.

More Clashes Despite Cease-Fire

LD2801174293 Belgrade TANJUG in English 1724 GMT 28 Jan 93

[Text] Belgrade, January 28 (TANJUG)—The clash between the Bosnian Moslems and Croats in Central Bosnia continued also on Thursday [28 January] despite cease-fire signed in Geneva on Wednesday by the leaders of Bosnian Croats, Mate Boban, and Moslems, Alija Izetbegovic.

The Moslem forces, according to Croatia's Radio, attacked with all available units the positions of the Army of Bosnian Croats as well as the Croatian settlements around a place called Busovaca (Central Bosnia) on Thursday around 12 GMT. The radio, controlled by the Croatian authorities, cited that the Moslem forces also used tanks.

The fighting between Moslems and Croats in Central Bosnia has been going on for more than three weeks. It erupted apparently over disagreements concerning assuming military and civilian authority in the provinces, which under the Geneva plan on division of Bosnia-Hercegovina, should have gone to the Croats.

The International Red Cross Committee Belgrade Office (IRCR) stated on Thursday, citing reports of its delegation in the field, that the approach to Busovaca was [word indistinct], for which reason Central Bosnia and its vital supply line cut. The statement said not one humanitarian convoy from the Croatian Adriatic port of Split could reach Central Bosnia.

Muslims, Croats Agree To Prepare Joint Command

LD2801194793 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 28 Jan 93

[Text] A statement was issued after today's joint meeting of the commanders of the Croatian Defense Council [HVO] for the operational zone of southeastern Hercegovina and the Fourth Corps of the Bosnia-Hercegovina Army held in Mostar. It says: On the basis of the order of Alija Izetbegovic and Mate Boban of 27 January 1993, in Mostar today HVO Commander of the General Staff Brigadier Milivoje Petkovic, Commander of the Fourth Corps of the Bosnia-Hercegovina Army Arif Pasalic, and Deputy Commander of the operational zone of southeastern Hercegovina Petar Zelenika, discussed the tasks arising out of this command in the area of the HVO operational zone of southeastern Hercegovina and of the Fourth Corps of the Bosnia-Hercegovina Army. They have issued a joint order under which these two bodies of the HVO and Bosnia-Hercegovina Army are instructed to cooperate permanently on all agreed matters. This refers primarily to the defense of the battlefields against the Serb aggressor and to other defense tasks. The order establishes a coordination body, which is preparing the setting up of a joint command and is resolving all current problems.

At today's meeting, in which the defense adviser of the president of the Bosnia-Hercegovina Presidency, Jasmin Jaganjac, also took part, it was agreed that a meeting should be held tomorrow of the commanders of the security sections and military police to agree on joint work, on tours of checkpoints, and on other areas of their jurisdiction.

Bomb Kills Five at UNPROFOR Headquarters

LD2801190193 Belgrade TANJUG in English 1808 GMT 28 Jan 93

["Pool" item]

[Text] Belgrade, Jan 28 (TANJUG)—Five people were killed when a mortar bomb exploded about 150 metres from the headquarters of the UN Protection Force (UNPROFOR) in the Bosnia-Hercegovina capital Sarajevo on Wednesday [27 January] morning, TANJUG learned at the UNPROFOR headquarters in Belgrade.

UNPROFOR did not specify from where the shell was fired. The same source said that a local UNHCR [UN High Commission for Refugees] official was wounded at Sarajevo Airport in an artillery exchange.

It added that, despite heavy fighting, the delegations of Bosnian Serbs and Moslems met at Sarajevo Airport on Wednesday and agreed to exchange 100 prisoners on February 3.

Referendum Proposed on Disputed Territories

LD2801194093 Belgrade TANJUG in English 1931 GMT 28 Jan 93

["Pool" item—by Natasa Ojdanic]

[Text] Geneva, Jan 28 (TANJUG)—Bosnian Serb leader Radovan Karadzic on Thursday [28 January] proposed that the question of disputed areas within the future provinces of Bosnia-Hercegovina, which account for one-fifth of the republic's territory, be resolved in a referendum.

In a statement made before a bilateral meeting with cochairmen of the Geneva-based international conference on the former Yugoslavia Cyrus Vance and Lord Owen, Karadzic said that an agreement had been reached on 80 percent of the territory. He urged an end to all hostilities and said that the question of maps should be resolved in Geneva.

The Bosnian Croat delegation, which had earlier accepted the entire package of measures for a geopolitical settlement of the Bosnia-Hercegovina crisis, had met with the cochairmen earlier in the day.

Well-informed conference sources say Bosnian Croat leader Mate Boban doubted that Bosnian Serbs and Moslems would accept the plan drawn up by the two cochairmen under which Bosnia-Hercegovina would be decentralized and divided into 10 provinces with a broad autonomy status.

Boban argued that a compromise would be possible if the Moslems and the Serbs were more cooperative and if the Serbs were less ambitious territorially.

The Bosnian Croat delegation accepted the cochairmen's proposal for setting up a transition authority in Bosnia-Hercegovina to enable the state to function until a new constitution is adopted.

Conference sources say that the Moslem side, which was the first to meet Vance and Owen on Thursday, is now questioning the constitutional arrangement for Bosnia-Hercegovina although it has accepted it in principle.

FRY Officers Reportedly Heading for Bosnia

AU2901124793 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 29 Jan 93

[Text] We have received information from the Bosnia-Hercegovina Army Press Center that there have been some staff changes in the ranks of the so-called Army of the Serbian Republic [of Bosnia-Hercegovina] because of the increasingly frequent defeats it has been suffering recently.

General Panic, supreme commander of the so-called Yugoslavia's Army, has selected a group of suitable Serbian officers, loyal to the so-called Serbian Krajinas and the Serbian state. He selected a larger group of officers from the former Yugoslav People's Army, who were successful in the war in Croatia, and organized special training for them which he personally conducted on several occasions, in order to send them to the fronts where the chetniks are not having everything the way they would want it.

The media of the so-called Yugoslavia have shown a demonstrative exercise, depicting a group of trained Serbian officers who are to head for Bosnia-Hercegovina. There was shooting from multiple rocket launchers, howitzers and tanks from Bajina Basta at the free territory of Srebrenica. The incineration of the former Bosnia-Hercegovina was conducted by the officers of the former Yugoslav People's Army who were trainees in Panic's special course, in order to teach people a lesson. [sentence as heard]

Major Radomir Kurtula and Major Milomir Salkic, both born in Rogatica, were particularly efficient in these exercises, which killed dozens of civilians. These two took part in the war in Croatia after spending most of their careers in Sarajevo. At the moment, their activities include burning Muslim villages, rape, obstruction of UN convoys, and seizing food supplies intended for the people in the Drina River area.

A new set of officers of the former Yugoslav People's Army, [word indistinct] of [Serbian President] Slobodan Milosevic's fascist regime, has arrived in Lukavica. This group is led by Colonel Dragan Marcetic, deputy commander of the chetnik Sarajevo-Romanija Corps, who demonstrated his arrival in Lukavica yesterday with about 3,000 shells fired on Sarajevo.

The most respected officers among the newly-arrived chetnik officers are those who have been through Knin and Vukovar. They get promoted overnight, much to the dissatisfaction of the more educated officers and those who do not wish to take part in the war in Bosnia-Hercegovina, says the statement by the Bosnia-Hercegovina Army Press Center.

Command Reports Peruca Dam Under Croat Control

LD2801221593 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 28 Jan 93

[Report by Sinj correspondent Blaz Peric]

[Excerpt] The Split operational zone command has reported that the Peruca dam area is controlled by members of the home guard regiment of Sinj [domobranska pukovnija Sinja]. After the chetniks opened fire from multiple rocket launchers and other heavy weapons on 27 January, attacking the UN Protection Force forces and then the positions of the home guard and threatening the destruction of the dam, the home guards were forced to respond. The response was effective and resulted in the seizure of control over the area. The general alert sounded yesterday afternoon for Sinj and neighboring villages remains in force because the sporadic explosions from behind enemy positions continue. [passage omitted]

Dam Slightly Damaged

LD2901093293 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 29 Jan 93

[Text] Croatian police forces are in the control of the area around the Preuca dam and the authorities have called on the UN Protection Force to take charge of the dam and its security.

Before leaving the dam, chetniks tried to sabotage it with explosives. The dam is slightly damaged in two places, but areas south of the dam are no danger.

Fighting Reported To Be 'Fierce'

AU2801184493 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 28 Jan 93

[Text] According to statements made by the first refugees from Peruca, fighting between the forces of the Republic of Serbian Krajina and the Croatian Army for the Peruca dam that broke out this morning is fierce. It has been learned that the Kenyan UN Protection Force soldiers deployed around the Peruca dam returned to Knin this evening, although this has not been officially confirmed yet.

Dam Reportedly Not Hit

LD2901135193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1304 GMT 29 Jan 93

[Text] Belgrade, 29 Jan (TANJUG)—According to reports from UN military observers, the Peruca dam, which was siezed by the Croatian forces, did not receive a direct artillery hit during the clashes and is no longer under fire. A TANJUG correspondent was told this at the Belgrade UN Protection Force [UNPROFOR] Headquarters today.

The blue helmets stress that in the case of serious damage to the dam, two nearby villages would have to be evacuated immediately. According to UNPROFOR assessments, there is no danger of waters from the Peruca lake bursting through the dam. If this happens, around 20,000 people would have to leave their homes, UNPROFOR says.

Yugoslav Air Force To Airlift Krajina Wounded

LD2701220293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1942 GMT 27 Jan 93

[Text] Belgrade, 27 Jan (TANJUG)—The Yugoslav Air Force has been allowed to evacuate the wounded from the war-affected area of the Republic of Serb Krajina, TANJUG learned this evening in the Belgrade-based office of the Republic of Serb Krajina Government. An agreement in this regard was reached today in talks between representatives of UNPROFOR [UN Protection Force] and the Republic of Serb Krajina Government in Knin. This agreement, as it was explained, was adopted because of very limited accommodation facilities in Krajina.

According to reports which have not been officially confirmed, around 50 Serb soldiers were wounded while the number of civilians wounded during the aggression which the Army of the Republic of Croatia launched against the Republic of Serb Krajina on 20 Janauary is twice as high. Since yesterday, when the Serb forces launched a counteroffensive on the territory of occupied territories, many Croatian soldiers were wounded: They also need help and evacuation.

In the first attack by the Croatian artillery, before the Serb forces got consolidated, more than 500 people were killed on the Serb side.

Opposition Party Sends Volunteers to Krajina

LD2801162993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1439 GMT 28 Jan 93

[Excerpt] Belgrade, 28 Jan (TANJUG)—Croatia should be given an ultimatum demanding the withdrawal of its troops within the next three days from the area of the Republic of Serbian Krajina it has attacked, it was stressed at today's news conference held by deputies of the Serbian Renaissance Movement [Srpski Pokret Obnove—SPO] whose demand that this issue be debated as a matter of urgency has been rejected by the Serbian Assembly. Otherwise, as it was stressed, Serbia must take every measure to protect its people who have fallen victim to aggression.

Noting that Serbia is duty-bound by its Constitution to protect Serbs beyond the borders of the current Yugoslavia, SPO Deputy Bogoljub Pejcic regarded the Assembly's refusal to discuss the proposed initiative as "yet another decision in a series of the negative decisions that were taken by the previous composition of parliament following his party's proposals."

"We are losing this war because it is being waged by incompetent people, crooks, bag snatchers, and war profiteers," Pejcic said voicing his party's view that the Serbs should be provided with military aid. "In recent days the SPO has sent about 2,000 volunteers to the battlefields. They are fighting as part of the Army of the Republic of Serbian Krajina. Next Wednesday another 250 volunteers will go to war. [passage omitted]

Number of Serb Refugees in Krajina Increases

LD2801182093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1707 GMT 28 Jan 93

[Excerpt] Knin, 28 Jan (TANJUG)—The number of refugees from the war affected areas of south Krajina is increasing daily. Today the number is estimated to have reached 12,000 people. [passage omitted]

Krajina President Says Mobilization Continuing

AU2801152793 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 28 Jan 93

[Text] Goran Hadzic, president of the Republic of Serbian Krajina, held a news conference in the International Press Center in Belgrade. Vladimir Nikolic has just returned from there:

[Nikolic] At the beginning of the news conference, Goran Hadzic, president of the Republic of Serbian Krajina, made a statement for reporters about Croatia's aggression on the Republic of Serbian Krajina. He said the following, among other things: With the brutal aggression against the Republic of Serbian Krajina on 22 January of this year, Croatia most impudently destroyed the Vance plan, which was accepted by both warring sides as well as by the United Nations. In this way Croatia again expressed its genocidal intentions toward the Serbian people. This is confirmed by various atrocities committed by the Croatian soldiers against the civilian population on the temporarily occupied territory of the Republic of Serbian Krajina.

The Government of the Republic of Serbian Krajina therefore was forced to protect its people militarily. In line with this, it proclaimed a general mobilization, which applies to all citizens of the Republic of Serbian Krajina between 18 and 60 years of age capable of fighting, regardless of where they are at present.

As in the past, the United Nations and the Security Council have shown again that they did not energetically and properly respond to the general and long-prepared military action of Croatia against the Republic of Serbian Krajina to prevent the criminal acts of the Croatian authorities. This has confirmed the general feeling among the Serbian people that the world is only supporting and protecting them through declarations.

Wishing for a peaceful settlement of this clash, the state of the Republic of Serbian Krajina has made it possible for Croatia to leave the territory of the republic by a certain date. Considering that Croatia did not acknowledge this peaceful gesture by the Republic of Serbian Krajina, its government is continuing the mobilization of conscripts. The mobilization is being carried out through the government's office in Belgrade, the Association of Serbs from Krajina, and home and refugee clubs. Those who do not respond to the mobilization call will be dealt with in accordance with the law of the Republic of Serbian Krajina.

The conference is still going on.

Croat Forces Preparing To Open New Front

AU2801195393 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 28 Jan 93

[Text] According to unofficial sources, Croatia is carrying out military preparations in Karlovac for the opening of the Kordun-Banija front. As the Serbian news agency ISKRA has learned, reservists from Karlovac were mobilized under the pretext of a military exercise. The arrival of fresh units to the broader region of Karlovac was also noticed.

Witnesses claim that the Karlovac hospital has been emptied, and that it is obviously preparing itself for war conditions.

Croats Reportedly Amassing in Western Slavonia

AU2801204693 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 28 Jan 93

[Report by Vlado Slijepcevic]

[Text] The fact that Croatian armed forces continue to concentrate in Novska, Pakrac, and Nova Gradiska causes a new insecurity in the Serbian region of western Slavonia. It has been confirmed that Croatian brigades from Velika Gorica, Zagreb, and Novska, including a considerable number of Muslims who have left Krajina, are still amassing in this region. More than 1,000 new Croatian fighters have been mobilized into the so-called Pakrac Brigade of the Croatian Army and an evacuation of the civilian population from these regions toward Daruvar and Zagreb is being continued.

All assurances by Argentinan General Carlos Zabala, commander of Sector West, that the UN Protection Force [UNPROFOR] will protect the population from the possible Ustasha [Croatian] aggression against this part of the republic of Serbian Krajina do not install much hope. Croatian special troops are amassing in the direction of the Sava River. They are dressed in the uniforms of the Ministry of Internal Affairs in order to deceive the UNPROFOR. Croatian forces gathering in the direction of the liberated Serbian region of western Slavonia are reinforced with a large number of tanks and armored personnel carriers.

Article Reviews Options in Slavonia

AU2801184793 Zagreb NOVI VJESNIK in Serbo-Croatian 26 Jan 93 p 8

[Report by Mirko Sajlar: "Chetniks Seized 51 Tanks"]

[Excerpts] Osijek—"A state of war" has been proclaimed in the so-called Serbian Autonomous Region of Slavonia, Baranja and Western Srem. The chetniks here are very upset because of the successes of the Croatian Army and police in the area around Maslenica, so upset that a general mobilization of all capable men between 16 and 65 years of age has been carried out. At the same time, paramilitary chetnik militias keep on breaking into ordnance depots under UNPROFOR [UN Protection Force] control. In this way chetniks managed to seize 51 tanks and large quantities of heavy weapons from the depots with "double keys." The UNPROFOR command for the "East" sector informed the headquarters of the Croatian Army First Operative Zone in Osijek about these events.

Unfortunately, the doubts have been confirmed. Although it has been claimed so far that the first part of the Vance peace plan was carried out and that heavy weapons were transferred together with the units of the so-called Yugoslav Army across the Danube, 30 km from the UNPA [UN Protection Area] zone, it is now clear that this was not done at all. It is true that the UNPROFOR put Serbian tanks, guns, multiple rocket launchers, and other weapons under their supervision according to the "double key system". But at the same time, it is true that these keys obviously meant nothing because the "locks were poor." The barrels of the tanks and heavy weapons have again been aimed at Vinkovci, Osijek, Valpovo, Djakovo, and other places in eastern Slavonia. Djuro Decak, commander of the Croatian Army First Operative Zone Headquarters in Osijek, asked on 25 January for an urgent meeting with Yuriy Sosedov [name as published], UNPROFOR commander for the East Sector, in order to discuss the present situation with him and to ask UNPROFOR to fulfill the tasks set out by the international community.

At the same time, the Serbian television station in Beli Manastir has been continuously broadcasting reports on the preparation of the Serbian paramilitary formations in eastern Slavonia. Lieutenant General Andrija Biorcevic, commander of the Novi Sad Corps of the Yugoslav Army, Major General Boro Ivanovic, his deputy, and Zeljko Raznjatovic-Arkan appeared on the screen. [passage omitted]

The situation is tense again. UNPROFOR is helpless, and it is up to the Croatian Army to be fully prepared to defend Croatia's eastern borders. As long as the UNPROFOR mandate is in effect, they will be given the initiative for finding a political solution which entails establishing the Croatian legal and constitutional system throughout its territory—that is, within its internationally recognized borders. If this cannot be achieved in a peaceful way the Croatian Army will do it, exactly in the same way as it was done in the Maslenica area. This is not a secret. This was also announced by Croatian President Franjo Tudjman during his last visit to Osijek.

UN Forces Rescue French Soldiers in Krajina

AU2801185693 Paris AFP in English 1847 GMT 28 Jan 93

[Text] Zadar, Croatia, Jan 28 (AFP)—French U.N. peacekeepers trapped by fighting between Serbs and Croats in southern Croatia were picked up Thursday [28 January] by two U.N. armoured cars and were headed out of the combat zone, military sources said here.

Eight French soldiers were being evacuated by Czech armored vehicles from Goles in the Serb-dominated Krajina region of southern Croatia, the sources said. Earlier reports had spoken of 10 trapped soldiers.

The U.N. armored trucks were accompanied by Serbian combattants who helped negotiate their departure with local Serbian units who had opposed letting the U.N. troops leave Goles.

The town has been a target of Croatian forces trying to extend their control over Serb-held territory in southern Croatia in an offensive launched Friday.

The released French troops were headed towards Benkovac, a town under Serb control about a two-hour drive from Goles, the sources said.

An attempt to free the French troops from Goles late Wednesday failed due to opposition by local Serb fighters. But 13 other French U.N. soldiers trapped in the nearby village of Drace were evacuated Wednesday.

Twenty-one U.N. civilian policemen of various nationalities were however still being detained Thursday in a hotel in Benkovac by Serbian units.

U.N. Secretary General Butrus Butrus-Ghali accused the Serbian militia of using the U.N. policemen and troops as a shield against Croatian artillery.

Premier Welcomes Presence of French Carrier

LD2801191893 Paris France-Inter Radio Network in French 1700 GMT 28 Jan 93

[Excerpt] [passage omitted] Listen to what Croatian Prime Minister Hrvoje Sarinic has to say about the dispatch of the [French aircraft carrier] Clemenceau. He was contacted in Zagreb by Michel Barthelemy:

[Begin Sarinic recording] As far as the arrival of the Clemenceau in the Adriatic is concerned, we cannot but rejoice since this will reinforce the pressure. We hope, we are convinced, that the Clemenceau arrives in the framework of the UN action and that there will not be parallel actions. Besides, I would like to tell you that since we are not certain that the Geneva talks will be successful, the next step will be—ought to be—a military intervention. So we consider the strengthening of the fleet with this aim in mind: to be there if need be. [end recording]

Krajina Minister Cites French-Croatian Collusion

LD2801220293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1943 GMT 28 Jan 93

[Excerpt] Belgrade, 28 Jan (TANJUG)—The UN Protection Force's [UNPROFOR] French battalion cooperated with the Croatian Army command at the time of the aggression against the Republic of Serbian Krajina, Krajina Foreign Minister Slobodan Jarcevic said today in a letter he sent to Cedric Thornberry, UNPROFOR deputy chief for civilian issues.

Jarcevic said that the Serbian Krajina police "discovered documents containing various maps" after the French soldiers' withdrawal from Karin that undoubtedly support this accusation.

He said that the documents were discovered when the Serbian police "took possession of vehicles and property belonging to the French battalion to return them only when conditions for it become right."

The documents were shown to Jeannie Peterson, civilian police spokeswoman, "who was shocked and made no comment," Jarcevic said in his letter.

Minister Jarcevic also told Thornberry that the group of 21 UNPROFOR civilian policemen in the Kamen Hotel in Benkovac were safe and free. [passage omitted]

Tudjman: Serbs Hinder Observance of Resolution

LD2901120993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1052 GMT 29 Jan 93

[Text] Zagreb, 29 Jan (TANJUG)—Croatian President Franjo Tudjman has sent a letter to EC President Niels Petersen informing him that "Croatia accepts UN Security Council Resolution 802 and endeavors to implement it." However, as Tudjman put it, Croatia "is prevented in doing this by Serb units." He stressed that he personally ordered "complete cessation of all offensive activities."

The Croatian president reiterated in the letter that from the Croatian point of view, "the operation aimed at securing works on the Maslenica bridge was successful." He added that Croatian forces now react only "in self-defense."

He warned that "armed formations from other countries, Serbia (the Federal Republic of Yugoslavia) and Serb parts of Bosnia-Hercegovina" have been coming to help Serb units. The presence of soldiers from Yugoslavia "and the constant flow of arms confirms," Tudjman said in the letter, "that this was a clear case of aggression on the sovereign Croatian state."

He finally asked the EC president to support Croatia's efforts "to achieve a lasting and just peace" on the territory of former Yugoslavia.

RSK President Expects UNSC To Punish Croatia

LD2801185493 Belgrade TANJUG in English 1802 GMT 28 Jan 93

["Pool" item]

[Text] Belgrade, January 28 (TANJUG)—President of the Republic of Serb Krajina (RSK) Goran Hadzic stated on Thursday [28 January] that the RSK Army has regained in a counteroffensive more than 80 percent of the territory occupied by the Croatian forces and that it continued the advance.

Croatia launched an aggression on Friday on the RSK, a state proclaimed by the Serbs within the administrative boundaries of Croatia. It failed to halt the aggression even after called on to do so by the U.N. Security Council [UNSC] on two occasions.

Hadzic told a press conference in Belgrade he expected the world organization to punish Croatia for aggression on the territory under its protection and prevent further clashes.

He said the Croatian Army, according to the latest reports, killed 830 Serb civilians, mostly women, children and the elderly, while some 150 RSK soldiers died in the fighting so far. He added that, according to the Serb military sources, also confirmed by the Italian Radio, Croatia lost about 2,500 troops.

"The Croats had not a single civilian casualty, because the RSK Army did not fire on civilian targets," Hadzic pointed out, and went on to say that in the villages they briefly occupied the Croatian soldiers cut the throats of all the civilians they came across and committed "atrocities surpassing everything that was seen in this war so far."

Hadzic also said he expected the United Nations to prolong the mandate to UNPROFOR [UN Protection Force] in the RSK. The UNPROFOR mandate expires in late February.

Economic Stabilization Program Viewed

93BA0488A Split SLOBODNA DALMACIJA in Serbo-Croatian 6-7 Jan 93 p 7

[Article by Dr. Mladen Rakelic: "It Is Simple: Inflation Has To Be Defeated"]

[Text] *An economic crossroads; what the "Foundations of the Stabilization Program for 1993" bring.*

The government and Prime Minister Sarinic, just before New Year's, gave us the "Foundations of the Stabilization Program for 1993." Although the very name sounds clumsy, just because it recalls the past failed programs (the best known among them was the former SFRY's Long-Term Economic Stabilization Program, with an inglorious end), and although I have not seen the entire

text, on the basis of Prime Minister Sarinic's report some of its basic characteristics can be judged.

The Assembly representatives have already spoken out about the program. I do not know how much they could have prepared for a high-quality discussion if the government adopted the final judgment on it that morning, immediately before the Assembly session, but just on the basis of their discussions one can conclude that they were dissatisfied with the material offered.

Several "mistakes" from previous periods of the former state crept in in the technical presentation of the program, and this could have been avoided. The program, in fact, was hastily voted on, because if people had been working on it for 100 days, then they could have waited at least a day or so more and provided the representatives with thoroughly studied material, at more leisure. They were undoubtedly exhausted by the previous discussions, especially regarding Croatia's parish-municipality system, and by the loss of concentration during the days before the holidays.

The prime minister's statement that some solutions were pioneering work did not go over very well. We had enough brilliant solutions and pioneering attempts from the SFRY. We know how they ended up. I would have been much more satisfied if we had obtained a high-quality compilation of world theory and practice. After all, Prime Minister Markovic also claimed that his last program was being studied by world experts because of its original solutions. The results are also well-known.

The program is not a party one, but a Croatian one. It must not and cannot be otherwise. We need a national consensus and an overall Croatian "will" to acquire the measures and solutions that should (I emphasize: should) draw us out of poverty. And, since I am already talking about a national consensus (I would call it the economic unity of all Croatian citizens regardless of party, nationality, religion, and skin color), it is necessary precisely for that reason that all those who can and know how assist in formulating it, rationally and soberly.

Restrictions and Restraints

I would call the program a sort of "megamix" (a big mixture), because it contains a little of everything and because it contains the characteristics of anti-inflation Reaganomics (the term is original, and the author's)—supply and growth economics, and an economics of restrictions and restraints, all lumped together. It remains to be seen whether it is possible to mix all this together and whether a good dish can come out of such a kitchen. It is now up to the undersigned author to extract the fundamental characteristics from the prime minister's report and comment on them.

The basic postulate of the program is contained in the statement that the absolute priority is eliminating the danger of hyperinflation (I would say that we are already in it) and creating conditions for a high degree of price stability, and preventing further contraction of the social product and reviving economic activity. This is anti-inflation Reaganomics, in any case.

I have not yet succeeded in finding a project of a similar nature that has yielded a satisfactory result (we will be fortunate if it succeeds here)—tightening and relaxing at the same time. All anti-inflation measures are absolutely devoted to restrictions and restraints, while growth and investment (at least during the period of starting up investments) always have inflationary effects. The state is facing the problem of social welfare (all the programs, in fact, have always fallen because of social welfare issues), and it is therefore trying to alleviate it through the growth of economic activity.

In order to revive economic activity we need money (from the country and the world), but also fulfillment of the institutional prerequisites. It is possible to obtain money (where there still is money) only when the institutional prerequisites are resolved, by which I mean finding owners (the present results are miserable), and a set of laws on the market economy and economic security. I am not certain that the present privatization will make it possible to define ownership relations in the way sought by potential foreign investors. Likewise, we have not yet done anything in restructuring the existing capacities (the war, of course, retarded the process), where there are still unused chances. The most essential thing is that we do not have effective existing production with which we could find a market in the world (for us the world today is everywhere around us, since the market of the former SFRY has been lost at this time). We do not have a program, or ideas for investment, so how can we build better foundations for increasing the social product, something that we cannot live without?

The state believes that it will reduce interventions in the economy, because the enterprises in which it intervenes will function better, and it is therefore planning smaller expenditures for these purposes. Privatization (??!) and improved management of enterprises are supposed to yield results. It does not say how. In this way all of this leaves the already well-known impression of declarations and slogans. It should and it must. The government is directly linking stabilization policy in the short term with an intensification of social problems—justifiably. It is resolving that conflict of interests "by creating the necessary conditions for the maximum growth of investments, with a further growth of exports, and the preparation of social policy measures."

Defining Public Debt

The question is whether social problems will appear first, and then it will be necessary to try to solve them, or whether money will be found from investments for resolving social issues. It seems that the saying about the "chicken and the egg" is not valid here. Here what existed earlier is meant. Unfortunately, it will be necessary to dismiss people and increase efficiency in order to

produce and yield results. Then who will fill the treasuries, and from what sources, for the unemployed people or for retraining?

The prime minister says in one place that our "production declined during the war twice as much as employment, which led to a decline in productivity and real wages." That, unfortunately, is a fact that inevitably leads to the conclusion that no program of ours can succeed if we continue to work like that. Streamlining and restructuring inevitably have to lead to social pressures, and the government should prepare itself for that if it intends to insist on the program.

If we interpret the measures to revive the economy, which will probably also be worked out in detail, as supply economics, everything else that the government is projecting should be interpreted as "police" measures to restore order to the disrupted economic and social organism, i.e., as measures to curb inflation (hyperinflation) on the financial, credit, monetary, and fiscal levels.

The government is primarily concerned about the public sector and its revenues and expenditures, and about defining public debt. In the state budget, revenues should grow in real terms by only 2.8 percent (from $1.950 billion to $1.960 billion), and expenditures from $1.935 billion to $2.110 billion, i.e., by 9 percent. The budget deficit is supposed to grow from $30 million to $160 million. As far as expenditures are concerned, all the consumers remain, even those with which the state is intending to do something (especially the public enterprises). Funds for servicing the public debt are being increased, so those commitments should be welcomed.

The social product is about 50 percent less than in 1990, but the budget and its demands have never been higher. The very increase of expenditures in the budget by 9 percent in real terms is great progress, but the big question is how the government will resist pressures upon the budget. We do not have any other choice except to keep the budget at the present level or around it, and to increase revenues by increasing the social product. It is a quite simple formula which is only hampered by two (!) things: 1) the beneficiaries of the budget and their demands, and 2) inefficient and ineffective production.

More Than Declarations?

The views on the public debt are interesting. In addition to the present $85 million in 1992 (I am not certain that that amount is enough to service the state's present obligations—old foreign exchange savings and interest on bonds for the financial rehabilitation of the economy and banks), new obligations are also being created on that basis (to a total of $209 million) by transferring the accumulated losses of public enterprises and health care from their balance-sheets to the public debt. If it is already intending to do this—and it could not be otherwise—then the state should realize that all obligations arising from the public debt must be unconditionally fulfilled. Problems with paying interest must not happen, because in that way confidence in the state and its financial system will be lost, and it would also be necessary to trade in the state's securities based on the public debt—clearly, provided that the state is a solid payer of its obligations and that it keeps its word.

There are also provisions about relations with foreign countries, possible public works, restructuring, financial rehabilitation and subsidies, the liquidation of inefficient enterprises, expenditures for the army and the refugees, old foreign exchange savings, and bank losses. It is interesting that the state does not trust its own enterprises. Prime Minister Sarinic claims that public enterprises should be rehabilitated through a policy of prices that will cover the actual costs and the costs of capital. They have to operate more efficiently through more clearly defined roles and relations between boards of directors and management, and business goals.

Concrete steps should also be expected, since public enterprises are major creators of losses that have to be transferred to the public debt. At the same time, however, any realistic price for their services—and they are usually monopolists—is inflationary, which inflicts more "damage" on an economy that is weak and frail in the market. All in all, it seems that we want a lot and we are beginning a lot, probably because we need a lot. It is to be hoped that all of this will not be just verbal in nature.

(Un)controlled Prices

The task of the stabilization program is to eliminate the danger of hyperinflation and create conditions for a high degree of price stability. From the data presented, it can be concluded that retail prices are supposed to grow by 4.25 times (a rate of 425.7 percent). Since the International Monetary Fund and all its financial "friends" are very sensitive in reacting precisely to measures that are directed against inflation, I believe that the government will be very careful in this area. In reading the prime minister's report, I could conclude the following:

1. That the anti-inflation policy will rely on three restraints: a) fiscal, b) monetary, and c) wage policy.

2. That fiscal pressure will be reduced by appropriate incentive influences upon the growth of production, so that the proportion of revenues from taxes and customs duties will be reduced. That should be interpreted as saying that production will be helped (which, what kind, whose, how efficient?), but also that an attempt will be made to increase the rate of the collection of taxes from taxpayers. The government believes that Croatia's admission to the IMF and the World Bank will increase the chances for marketing state bonds for rebuilding (??!).

3. The government literally states that "restrictive monetary policy, freed from its redistributive function, as the basic lever of the program, along with reduction of the budget deficit and elimination of current loss-producers in the public sector, will influence disinflation, and thus also the revival of economic activity." I do not know how to interpret this statement. I believe that it is

possible to have an anti-inflationary effect with a smaller issuance or none at all, but it is not clear to me at all how to revive our production with less money. I also do not know how the government, and politics, will defend themselves from the former beneficiaries of issuance money (agriculture, shipbuilding, and the state budget). Certainly a redistributive function has to be ruled out, but I am afraid that "heads will fall" in this regard. We lived in the state cradle and relied on printed money for too long.

4. As far as wages are concerned, it is claimed that it is essential to ensure flexibility at the level of each enterprise. That should probably be interpreted as autonomy for enterprises in conducting wage policy. In the competitive part of the economy complete freedom in wages can be permitted, because it is assumed that the loss-makers and the insolvent ones will keep to a framework that will not disrupt the overall balance. That is well-conceived. At the beginning of the year disindexation will still be retained in order to support the anti-inflation policy aimed at eliminating inflationary expectations. Although all of that is fairly muddled, it should be expected that the part of the economy that creates and holds things up will be exempted from curbs on wages, that the loss-makers and insolvent ones will be prevented by their own capabilities in any case, and that they will keep the social minimum through collective contracts. I do not believe that it will all be carried out just like that, and in particular I am not certain that it will not be necessary to control wages. Any anti-inflation program that is at all serious cannot exist without such control.

Playing With Cards on the Table

If we try to fit these anti-inflation measures into any of the known rules, then it could be said that they are closest to targeted inflation. The orthodox (monetaristic) and heterodox factors are less pronounced on this occasion. That does not mean that there is no admixture of all of them, because they are necessarily intertwined in any case.

Specifically, with this program we are not acknowledging that our inflation is only a monetary problem. That is true. If we were by chance to use Friedman, then in addition to the fluctuating foreign currency exchange rate (which I hope that we will not abandon), then we would definitely index wages, definitely eliminate the primary issuance as a possible form of producing money, and reduce public expenditures in both absolute and relative terms. We have not even acted in accordance with the principles of orthodox therapy, because neither prices, nor wages, nor the foreign currency exchange rate are being controlled. This kind of therapy has only been successful in Israel, and it has not turned out to be successful in other countries because of the social costs.

Targeted inflation, which is well-known from the SFRY's standby arrangements and relations with the International Monetary Fund (without success), is most similar to the model that the Croatian Government has used. Targeted inflation provides for restricting all forms of consumption (I believe that we will adhere to this), the liberation of prices is established, the dinar exchange rate and interest rates fluctuate, and an attempt is also made to revive production. I also anticipate nominal restrictions on the credit-monetary aggregates and on the growth of public spending and wages (at least in principle).

It is less important whether the Fund will recognize in this program a sort of nominal anchor or not. I am certain, however, that with the Fund we will have to play with our cards on the table and with clear goals and intentions.

The Fund will need proof that our monetary and credit policy will limit the expansion of credit and stabilize prices, that our prices will be competitive with world ones, that real wages will be controlled, especially in the public sector, that the foreign currency exchange rate reflects real relationships in the goods that are bought and sold, and that the domestic tax base is being expanded through fiscal policy, tax evasion is being reduced, and the level and structure of expenditures are changing.

In any case, it seems that with this program we are nevertheless "playing up" to the Fund. The people who are competent and responsible will either find out or already know whether the Fund will consider ostentatious announcements to be a sufficient reason for dealing more seriously with Croatia. It would not be bad if that actually happened, if (which is the most important thing) we do achieve the goals that we set for ourselves. It would therefore be essential for the government to offer concrete measures as well immediately, in the form of firm tasks and deadlines. The representatives in the Assembly claim that the measures have not been worked out in detail, and therefore they should be expected (I hope!). But, and this is unconditional, we have to insist on the measures and believe that it cannot be otherwise. If we build the outlook for our anti-inflation program on the unsuccessful previous experiences (from the SFRY) and especially on the experiences of Latin American countries, then it is essential:

1) that we ensure the program's credibility. The state has to create confidence among its citizens and enterprises, and especially in political circles, that the program is serious, that it is clearly defined, and that it will achieve success. Since the program needs clear definitions, I expect clear guidelines for ensuring its credibility.

Necessity of Foreign Capital

2) The budget deficit is a direct and explicit enemy of price stabilization. Consequently, reducing that deficit—and it can be seen from the program that we are aiming at that—is a conditio sine qua non for the war against inflation. In particular, it is necessary to eliminate the financing of its deficit by means of the issuance.

3) Croatia cannot do without an influx of foreign capital. It is not capable of doing anything serious through its own resources and its own capital formation. A possible influx of foreign money will depend on evidence that the domestic economic conditions (and difficulties) are being stabilized, because that is the only way to achieve credibility with foreign partners. That is why this program is a real chance and the only possible one for us to obtain foreign money. For the possible arrival of foreign money, it is necessary to specify in this very program who is to spend it and how. What is private is private, and what is public is public. There should not be any concession on that. Every entity is responsible for its own debt, both morally and financially, and even through bankruptcy which no one stands behind and no one covers.

4) The negative effects of the "political cycle" have to be minimized. The state administration has to be politically prepared for the implications that will be caused by further "belt-tightening." It has to insist on the program and avoid all the day-to-day political influences that are the worst enemy of the program's "success."

5) The most important thing is that without a structural change (in both the economy and ownership) no program will be successful. An open economy is a challenge to us, in which we will either succeed or definitely fall into monotony and poverty. The state (unfortunately, for now it is the only one) has to "determine" as soon as possible the participation of the private, public, and cooperative sectors in the economy as a whole. Everyday politics and short-term interests have to be ruled out. Our goal is much more serious.

Finally, it will be possible to judge the program better when it is presented in its entirety and its details. For the time being, I am only discussing it on the basis of the prime minister's report. Some of the details in that report can be discussed further (the correct placement of the problem of old foreign exchange savings and enterprises' foreign debts), but those are peripheral things at this time. All in all, a great deal of work awaits us.

Federal

Government Criticizes UN Over Oil Deliveries

LD2801171293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1254 GMT 28 Jan 93

[Text] Belgrade, 28 Jan (TANJUG)—At a session held today, the Federal Republic of Yugoslavia [FRY] Government considered measures which it needs to undertake to meet all conditions for importing liquid fuel for humanitarian purposes, the Federal Information Ministry stated today. The government concluded that the FRY met all requirements set by the UN Security Council for the FRY to be allowed to import fuel. The government informed the Security Council Sanctions Committee on several occasions that it fulfilled all its obligations. The Committee has, however, disregarded these reports, and in spite of an agreement in principle which it made a month ago, it has not yet approved a single contigent of liquid fuel. Therefore, it can be said that it is procrastinating and even trying to prevent deliveries of "oil for humanitarian purposes."

The Federal Government sharply denounces statements made by the United States and some other officials that they would intervene militarily to prevent ships on the Danube from leaving Bulgaria and Romania, which is in direct contravention of a Security Council decision on import of fuel, the statement says.

The Government charged relevant ministries with establishing quantities of liquid oil which are available and necessary for the next period.

Foreign Minister Warns Croats on Peruca Attack

LD2801200493 Belgrade TANJUG in English 1921 GMT 28 Jan 93

[Text] Belgrade, January 28 (TANJUG)—Yugoslav Foreign Minister Ilija Djukic warned on Thursday [28 January] that by attacking the 'Peruca' hydro-electrical power plant in the south of the Republic of Serb Krajina (RSK), the Croatian forces wanted to cause an ecological disaster and ascribe the consequences of this senseless act to the Serb side.

In a letter to the United Nations Security Council January president, Japanese Ambassador Ioshio Hatano, Djukic set out two battalions and a demolition squad of the Croatian Army attacked UNPROFOR [UN Protection Force] and the Serb militia forces at the 'Peruca' dam on Thursday at 9:45 a.m. local time.

This was confirmed by eyewitnesses, captured in the operation, as well as by an officer of the Croatian Army demolition squad entrusted with the task of destroying the dam, Djukic said.

Prior to the assault, the Croatian side evacuated the Croatian population around the 'Peruca' dam, the minister said.

He pointed out that the Thursday attack was not only a continuation of Croatian aggression on U.N.-protected territories launched last Friday, but was also in direct contravention of the 802 resolution of the Security Council adopted on Monday. This endangered peace and security in the region and threatened to cause a larger-scale conflict, not only in the territories under U.N. protection, but also in the territory of the neighboring Bosnia-Hercegovina, he added.

The continuation of the aggression called for the engagement of the Security Council, without delay, aimed at checking aggression, returning to the situation existing prior to the assault, as well as punishing the aggressor, Yugoslav Foreign Minister Ilija Djukic concluded.

Commission Finds Elections in Serbia Fair

93BA0502C Belgrade BORBA in Serbo-Croatian 11 Jan 93 p 8

[Article by M.T.: "Report by Republican Election Commission: Elections in Serbia Were Regular"]

[Text] Belgrade—According to the overall results of the parliamentary elections in Serbia, which the Republican Election Commission [RIK] recognized as official following Saturday's session, having determined that the elections were regular, the Socialist Party of Serbia captured 101 seats in the republican parliament, the Serbian Radical Party 73 seats, DEPOS [Democratic Movement of Serbia] 50, the Democratic Community of Vojvodina Hungarians 9, the Democratic Party 6, the Group of Citizens of Zeljko Raznjatovic-Arkan 5, the Peasants Party of Serbia 3, the Coalition of the Democratic Party and the Reform Party of Vojvodina 2, and the Democratic Reform Party of Muslims 1 seat.

Of the total of 6,774,995 registered voters, 4,723,711 citizens (or 69.72 percent) voted in the most recent parliamentary elections, and of the 6,730,516 ballots issued, 4,713,767 were found in the ballot boxes (i.e., were used), of which 4,437,906 were valid and 275,861 (5.85 percent) were invalid.

A period of 24 hours beginning today has been set out for challenges to these results, after which they will be published in the Official Gazette of Serbia.

"In our opinion, the elections in Serbia were in order, and the Supreme Court of Serbia has in fact denied all appeals of decisions by the Republican Election Commission concerning the results of the presidential elections, so that the results of these elections are regarded as valid," RIK chairman Caslav Ignjatovic announced at Saturday's press conference, refuting allegations that the recent elections in Serbia were irregular.

When a journalist noted the impression that there was a great deal of manipulation of and changes in election results, Ignjatovic said that all the original records from polling places were made available to the Republican

Election Commission, which singled out 86 of them, because, as Ignjatovic said, "they were improper in form."

However, Ignjatovic said, although "there were irregular records," "the deviations were not such that they drew into question the authenticity of the records." Ignjatovic also stated that for its part, a six-member team from Milan Panic's staff singled out another 150 records to which it objected, but the Republican Election Commission concluded that annulling the elections at that many polling places would not affect the results of the voting.

Ignjatovic confirmed that the election materials from the polling places were in fact made available to the Republican Election Commission by way of the opstina election commissions, which is generally believed to be illegal because that is not part of the opstina commissions' job. However, this was done in accordance with the law that authorizes the Republican Election Commission to specify the manner in which election materials are to be handled. Ignjatovic insisted in particular that all ordinances be considered, and as an example he cited Point 8, Article 39 of the Law on the Election of People's Deputies, which precisely states that the RIK handles the way in which elections are held.

There was also a practical side to involving the opstina election commissions in the procedure, because, as Ignjatovic said, if materials from 10,000 polling places were to converge on one point, it would take 140 days to process it.

As the crowning argument against the charge by Panic's representatives that because of the unexpected involvement of the opstina election commissions in the election procedure, the parties, holding to the letter of the law, did not send their representatives to monitor the elections, Caslav Ignjatovic cited passages from the Republican Law on Territorial Organization and Local Self-Rule, according to which the opstina election commissions are already composed as multiparty bodies.

Sanctions' Effect on Military Industry

93BA0502B Belgrade BORBA in Serbo-Croatian 13 Jan 93 p 17

[Article by Borislav Seleza: "Yugoslav Military Industry Under Blockade: Dollars and Hypocrisy of Dealers"—first paragraph is BORBA introduction]

[Text] Although the "Supergaleb" combat-training airplane, produced by the workers of Pancevo's "Utva," has proven to be powerful for its class at the aircraft fair at Bouget and at British Farborough, it nevertheless is not bringing "greenbacks" to its creators, which could be as much as $5.5 million a piece, clearly not a negligible amount. Business talks on this subject were well under way with several countries, but in the end—because of the sanctions imposed on Yugoslavia—everything fell through. Because of this, last year was rather somber for "Utva," a "good one to forget," although there were many plans and lots of new airplane projects.

It would be extremely bad if "Utva's" projects were to fall through, which is hard to imagine. Before the beginning of the Yugoslav civil war, two U.S. businessmen received, for their own needs and for several hundred thousand dollars, two specimens of the good old "Galeb." Afterwards, their fellow countrymen from the U.S. Government were interested in the "Supergaleb." When a recognized superpower, especially in aviation, shows that someone somewhere in the Balkans has done something first-rate for flying, then no further commentary is necessary.

Jovo Opsenica, the director of "Utva," and others at that firm will have headaches, unlike the people at "14 October" in Krusevac, who have built their reputation on production of the M-84 tank. The market's hunger for that war "toy" is not abating, so that Pakistan, the United Arab Emirates, Iran, and others are turning up as customers, especially countries from the Arab and Islamic world.

Recently, when visiting several units of the Armed Forces of Yugoslavia, Palestinian and Egyptian generals explained at length and in great detail that the war in Bosnia-Hercegovina is not religious "because why then is there fighting between Serbs and Croats, who are Christians?" they asked. They think that we are after some sort of broader and more dangerous interests of those who want to control commercial routes for oil and arms. They believe that the new, smaller Yugoslavia could help them with technology, for which it would be excellently supplied with oil, the prime mover behind many things. This sounded like an announcement of new profitable transactions that could bring in billions of dollars.

The Yugoslav military industry has already sold Kuwait 230 tanks at a price of $1.6 million a piece. Dealers from Yugoslavia rubbed their hands in delight at this dollar cake of $368 million. Now, "14 October" has come up with a new offer: a commander's tank, a tank for withdrawal, and a remote-control (!) excavator, and preparations are also being made for a new type of tank called the "Vibor." Because of this, it is no surprise that the business people at "14 October" have invited their partners and journalists to a luncheon banquet on 13 January dedicated to the successful 1992 business year.

Lt. Gen. Dr. Milorad Dragojevic, the tank genius and designer of the M-84, recently explained that of the military industry of the disintegrated SFRY, as much as 41.8 percent of all facilities were in B-H [Bosnia-Hercegovina], with 7.5 percent in Croatia, 3.4 percent in Macedonia, 2.3 percent in Slovenia, 43.8 percent in Serbia, and 1.2 percent in Montenegro, which means that 45 percent of this type of industry is in the FRY [Federal Republic of Yugoslavia], or 48 percent if measured according to the value of the fixed capital. Parts for tank were supplied by "Slovene Ironworks" in Ravni,

"Zrak" in Sarajevo, "Bratstvo" in Travnik, and "Jugoturbina" in Kastovac, while the finishing plant was "Djuro Djakovic" in Slavonski Brod. As deliveries of essential parts ended, new firms were urgently sought out, and found.

One fortunate circumstance for "14 October" was the fact that the first 42 hulls for the M-84 tank are produced at "Gosa" in Smederevska Palanka, so that it has someone to continue production. What it will be like in concrete terms will depend on the transactions agreed to. As far as the people at Krusevac are concerned, they have assembled, almost without exception, a mosaic of the 9,000 subcontractors necessary to create a first-rate tank like the M-84.

As far as missiles are concerned, which have been the subject of much talk in recent times, including by the head of the General Staff, Lt. Gen. Zivota Panic, who has mentioned in particular the possibility of getting projectiles that would fly up to a thousand kilometers in distance, work is being done on them as well. Military institutes that have been shaken up by the sanctions in terms of business and organization have scientific strengths, which they proved by churning out the production technology for a series of missiles, and are still capable of providing "know-how" support, but the dinar, i.e., dollar basis will depend on the company. As far as the missiles themselves are concerned, things are going on behind closed doors, because many matters here are a business and military secret.

Biblical teachings have a very negative view of arms trading, but that does not prevent practically every Christian country from collecting enormous amounts of dollars in that business. Let us say nothing of the United States or Russia, France or Great Britain, whose revenues from means of killing run into the hundreds of billions of dollars, but rather look at the example of Sweden. That country, with an unquestionably democratic system and an attractive conception of the welfare state and of social justice, was not deterred from selling its famous "Bofors" cannons only yesterday to the Yugoslav military, while today it is supplying SAAB airplanes to Croatia. They cold-bloodedly take dollars (the Swedes and Germans have already earned several billion dollars on the deaths of South Slavs!), not worrying about the moral problem that two sides are using their weapons against each other, and that this will cause many new deaths.

For Yugoslavia, progress in the military industry right now is expressed as a question of survival, because any other direction, with foreign armies on our b[illegible]ers, means drowning in the swamp of European r[illegible] hypocrisy.

Serbia

Opposition Deputies Walk Out of Assembly Session

LD2801201893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1923 GMT 28 Jan 93

[Text] Belgrade, 28 Jan (TANJUG)—Following a discussion at a session of the Serbian Assembly that lasted for several hours this evening on proposed changes of the law on the election of deputies to the Chamber of Republics of the Federal Assembly, deputies of the Democratic Opposition walked out of the session. Opposition deputies did so at the invitation of Democratic Party of Serbia Chairman Vojislav Kostunica who criticized the ruling Socialist Party of Serbia and Serbian Radical Party by saying that with the proposed changes of the law they intend to turn the Chamber of Republics into the Chamber of the Socialists and Radicals, and break the state community of Yugoslavia, he said.

Sends Letter to Montenegrin Assembly

LD2801231893 Belgrade TANJUG Domestic Service in Serbo-Croatian 2137 GMT 28 Jan 93

[Text] Belgrade, 28 Jan (TANJUG)—DEPOS (Democratic Movement of Serbia) deputies in the Serbian Assembly sent a letter this evening to the Assembly of Montenegro which says:

"Conscious of our responsibility for the fate of our common state, the deputies of DEPOS are informing the people's representatives of Montenegro with great concern that in the Serbian Assembly on 28 January 1993 a political coup was carried out against the multi-party parliament of Serbia, and thereby also against the bases of the federal community of Serbia and Montenegro.

"Despite all our legal and political warnings, the law on the election of deputies to the Chamber of Republics has been adopted, retroactively, by majority voting of the Socialist Party of Serbia and Serbian Radical Party, whereby the democratic opposition of Serbia is deprived of the right to delegate its deputies to the Chamber of Republics, and the ruling majority in the Serbian Assembly is able to achieve absolute control in the Chamber of Republics of the Yugoslav Assembly.

"The election of deputies of the above two, kindred parties to the federal parliament is carried out in a completely different way from that in Montenegro, with the clear intention of destroying the equality of the two federal units, guaranteed in the current constitution of Yugoslavia.

"DEPOS deputies have refused to take part in this form of legal and political violence, and will decide in the next few days on its future status in the republican and federal parliaments," the DEPOS letter says.

Seselj Condemns Western Attitude to Croatian War

AU2801162093 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 28 Jan 93

[Text] It was stated at a news conference that the Serbian Radical Party energetically condemns the behavior of Western powers following Croatia's aggression on the Republic of Serbian Krajina. Party leader Vojislav Seselj holds the view that such behavior shows that [Croatian President] Franjo Tudjman is doing everything in agreement with those who are giving him orders from the West. Dragoljub Stankic reports:

[Stankic] Western powers became concerned and sent their war ships only when they learned that the Serbs were scoring major victories against Ustasha forces through their counteroffensive, Seselj said. According to him, the Serbian Radical Party will do everything possible to help the Serbian people in the future. He particularly stressed that his party continues to send volunteers, but they are only part of the army of the Republic of Serbian Krajina. The Serbian Radicals are surprised that Yugoslav President Dobrica Cosic has not resigned yet and that, on the contrary, Cosic's advisers are issuing statements that are making his political position more difficult.

Seselj expressed suspicion that Cosic, in an agreement with Tudjman, enabled Croatian forces to attack the territory of the Republic of Serbian Krajina.

[Begin Seselj recording] Denying this with statements from his office, Dobrica Cosic is forgetting that the entire Croat press is writing about it, that many British papers are writing about it, and that Franjo Tudjman himself stated it openly yesterday. If Dobrica Cosic wants to deny it, then he should deny the original reports. He should not be defending himself by simply saying: This is not correct. [end recording]

[Stankic] As soon as the new federal assembly has been formed, the Serbian Radical Party will launch an initiative for the replacement of the president of the Federal Republic of Yugoslavia.

Nikola Poplasen, president of the Serbian Radical Party of the Serbian Republic, also spoke at the news conference. He stressed that parallel to Croatian aggression on the republic of Serbian Krajina, the Muslim forces are continuing their attacks on almost all on Serbian positions.

Nikola Poplasen appealed to all citizens on the territory of Serbia and Montenegro who are capable of fighting to take part in the defense of the Serbian territories.

Assembly To Urge Russians To Lift Sanctions

LD2801170793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1231 GMT 28 Jan 93

[Text] Belgrade, 28 Jan (TANJUG)—At the beginning of its session today, the Serbian Assembly adopted by a majority of votes an initiative of the Socialist Party of Serbia to the effect that a letter should be sent to the Russian parliament in expectation of the Russian parliament's decision to lift the embargo against Serbia and put an end to Russia's participation in the unjust measures against the Serbian people.

The letter, read out by chairman of the largest club of deputies, Zoran Andjelkovic, stresses that Serbia never attacks anyone, that the Serbian nation does not demand anything that other nations are not entitled to. The Serbian nation is committed to peace, and all accusations about Serbia's alleged aggression against Bosnia-Hercegovina are groundless.

The letter explains in particular that the sanctions against Serbia are unprecedented in recent history and are at odds with the true state of affairs, that is, Serbia's alleged responsibility for the outbreak of war in Bosnia-Hercegovina, since our country does not have a single soldier in this area. At the same time, he notes, Croatia has over 60,000 soldiers in Bosnia-Hercegovina's territory, while the international community has not reacted to this aggression.

The letter makes it clear that Serbia favors an immediate and unconditional end to all hostilities and a comprehensive solution reached by consensus by the three constituent peoples.

The representatives of the Serbian people in Bosnia-Hercegovina have accepted the Geneva principles, demonstrating their commitment to contribute to peace, and Serbia has supported this commitment.

The letter, however, draws attention to the fact that the moment peace was within reach Muslim forces launched an offensive and directly threatened Serbia's territorial integrity, while the Croatian Army carried out aggression on the territory of Krajina, which is under UN protection.

Serbia and the Serbian people have once again demonstrated that they are not aggressors, but they are suffering from the consequences of the world community's wrong and unjust policy, which caused the war in the area of the former Yugoslavia.

Assembly Elects Four Deputy Speakers

LD2801172093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1238 GMT 28 Jan 93

[Excerpt] Belgrade, 28 Jan (TANJUG)—Two strongest parties, the Serbian Socialist Party and the Serbian Radical Parties, divided between them four deputy speaker posts in the Serbian Assembly, after other parliamentary parties had withdrawn their nominations. Deputies then elected by show of hands Socialists Zoran Cetkovic and Miroljub Mladenovic and Radicals Ljubisa Petkovic and Dragan Todorovic to the post of assembly deputy speakers. [passage omitted]

Macedonia

Gligorov Holds Talks With Owen, Vance

LD2801222493 Skopje Radio Macedonia Network in Macedonian 2100 GMT 28 Jan 93

[Excerpts] Macedonian President Kiro Gligorov had a meeting with cochairmen of the international conference on former Yugoslavia Cyrus Vance and David Owen in Geneva today. In the course of their talks they exchanged views and examined the current situation in the Republic of Macedonia and the region. Their talks also dealt with difficulties facing the Republic of Macedonia in connection with its admission to the United Nations. President Gligorov left Geneva for Skopje this evening.

President Gligorov also today had a number of meetings with top-ranking European officials in Brussels. Svetlana Mileva reports from Brussels for Radio 22:

[Mileva] The two-day visit to Brussels by President Kiro Gligorov was really fruitful. He managed to secure for Macedonia the rapid arrival of financial, humanitarian, and technical help from the European Community. In concrete terms, that means that in February Macedonia will receive supplies of medicines and oil and oil derivatives to the tune of 15 million ECU. To get the remaining financial help to the tune of 110 million ECU, Macedonia should prepare a program. [passage omitted]

Among other top-ranking officials President Gligorov had talks in Brussels yesterday and today with Hans van den Broek, Dutch foreign minister; Leon Britten, chairman of the EC Commission for External Policy and Trade Relations; Willy Claes, Belgian Foreign Minister; and Jacques Delors, President of the European Commission.

Ministry Talks With Serbs on 'Incidents'

LD2701184793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1553 GMT 27 Jan 93

[Text] Skopje, 27 Jan (TANJUG)—A joint delegation of the Democratic Party of Serbs in Macedonia [Demokratska Partija Srba u Makedoniji] and the Association of Serbs and Montenegrins from this republic had talks in Skopje today with officials of the Macedonian Ministry for Internal Affairs about "incidents" between the Macedonian police force and Macedonian citizens of Serb nationality.

The delegation, led by by party chairman Borivoje Ristic and association secretary Dragoljub Novakovic, had talks with Assistant Ministers for Internal Affairs Stanoja Bogoev and Dobri Velicovski.

Representatives of the Ministry for Internal Affairs expressed readiness to resolve all outstanding issues with full respect for law and for human and minority rights.

Representatives of the Macedonian Ministry for Internal Affairs at the same time recalled that people are only allowed to hoist a Serbian or Montenegrin flag together with a Macedonian flag of the same size.

Montenegro

Dispute With Croatia on 'Blue Zone' Unresolved

LD2801200593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1820 GMT 28 Jan 93

[Text] Herceg-Novi, 28 January (TANJUG)—A meeting between delegations of the Ministries of Internal Affairs (MUP) of Montenegro and Croatia was held in the Njivice Villa near Herceg-Novi today. The meeting was devoted to the preservation of peace and security in the region of Prevlaka [peninsula at the mouth of Boka Kotorska Bay].

The two delegations assessed the security situation as "relatively good" and said that there have been no "serious incidents." The Montenegrin MUP delegation was headed by Nikola Pejanovic, while the Croatian MUP delegation was headed by Ivan Jarnjak [ministers of internal affairs of Montenegro and Croatia respectively].

The contentious issue of the so-called blue zone was not resolved today either. Montenegro, referring to an interpretation given by General Satish Nambiar demands that only UNPROFOR [UN Protection Force] members are deployed in the blue zone. The Croatian side, however, holds that the situation should remain unchanged, i.e. that its troops should remain on Prevlaka.

An agreement has been reached to ask General Nambiar to give a new interpretation of the zones, while the delegations will ask their state bodies to organize a meeting between commissions for the demarcation of state border which is of importance for the security of the wider region of Boka Kotorska and Dubrovnik.

Kosovo

Rugova, Berisha Offer 'Hand of Reconciliation'

AU2801184593 Belgrade BORBA in Serbo-Croatian 27 Jan 93 p 16

[Report by M. Antic: "Giving Up Secession?"]

[Text] Pristina—The statement of Albanian President Sali Berisha, first made at the NATO headquarters and then also in the polemics with the Pristina academician Rexhep Qosja, claiming that the idea of greater Albania has no support whatsoever among serious political forces in Albania and that Albania is not asking for a change of the present borders in the Balkans, was confirmed several days ago in a joint statement by Berisa and Ibrahim Rugova, leader of the majority of Kosovo Albanians.

This confirmation—which was never expected to happen even accidentally, because it would mean that Rugova officially gave up the idea of an independent and

sovereign Kosovo and that he accepts the internationally legitimate option of broader autonomy according to international standards—followed nevertheless. Not only that it followed, but it was also "reinforced" by the shared view confirming that the Helsinki documents, as well as the UN Charter, have to be respected and that the Kosovo problem has to be resolved within this framework.

If we know that there is also a part of the statement calling upon all Albanian parties to avoid any kind of provocation that could lead to large-scale conflict it is clear that some new winds are blowing from Tirana and Pristina. This time the joint step toward a solution to the Kosovo Gordian knot, which has lasted several decades, has been made by Berisha and Rugova which is significant in itself.

It can be assumed that the statement by Berisha and Rugova has been carefully examined in Serbian political circles. In any case, it would be wrong to ignore such a political statement, even though it might only be declarative. It must not be forgotten that until recently, completely different political overtones could have been heard from Albania and Kosovo—about secession, amassing of troops, threats with weapons, provocations involving bloodshed, and similar things. Now a hand of reconciliation is practically being offered.

One need not be particularly well-informed in order to understand that the attitudes presented in the Berisha and Rugova statement are a result of international political pragmatism and the only possible political option. The only ones who could be dissatisfied with it are those who would like this madness in the Balkans, which is taking thousands of lives, to spread towards the southern Balkans.

This statement opens the way for a political solution to Kosovo within Serbia and Yugoslavia. Now that the question of Kosovo's independence and secession is not being raised by the international community, one should forget about political animosities and sit down at the negotiating table to try to make life in the Province of Kosovo normal again.

Vojvodina

Recent Discussion on Vojvodina Autonomy Held

93BA0502A Belgrade BORBA in Serbo-Croatian 14 Jan 93 p 10

[Article by J Paripovic: "After Meeting on Vojvodina Autonomy: Discussion Today, Autonomy Tomorrow"—first paragraph is BORBA introduction]

[Text] Within the framework of the recently founded Vojvodina Club, an interesting discussion of autonomy was recently held in Novi Sad. Participating in this meeting was a interesting group of former and current politicians, as well as a number of civic leaders and scholars whose reflections certainly merit the public's attention.

The "Vojvodina Autonomy Today" roundtable held in Novi Sad was in fact more concerned with the question of Vojvodina autonomy tomorrow, because, as Dr. Bosko Kovacevic noted, at this time the true interests of Vojvodina and its autonomy cannot be determined. Even more complete reasons for this approach were offered by Bosko Krunic, who found them in external and internal circumstances, especially the fact that maps of the eastern part of Europe are being altered on the ruins of realist socialism, and some neighboring countries, through an emphatic interest in the position and protection of their national minority, are prompting minority arrests. Nor is current Vojvodina autonomy furthered by the fact that memories of the time when it was granted, when people were persecuted and humiliated, are still fresh. The population is moving for various reasons, so that the number of "non-native" Vojvodinans is growing. On the other hand, fear is spreading among the non-Serb population. The opening up of the question of Vojvodina autonomy is limited in part by the strongly expressed aspiration to realize the project of Serbia as a national state, as well as by the strengthening of the rightwing option in Serbian politics.

Nevertheless, talking about Vojvodina and autonomy does make sense today, as Branislav Milosevic emphasized in the written supplement, primarily because the prevailing concept of the so-called unity of Serbia has failed completely in theory and in practice. In addition, he feels that it would be easy to prove that that concept has become the foundation for tragic events on the soil of the former Yugoslavia and one of the immediate causes of the war. After all, it is completely clear that "rejecting autonomy is only one segment on the Yugoslav detour," and talking about it only reminds one of the disintegration of Yugoslavia, which was "messed up" by nationalisms. Zivan Milisavac recalled the words of Svetozar Miletic, who said upon the termination of autonomy "all right, but it is in the hearts of the people," noting that talks on autonomy will be opened up here, but not in the form of separatism or opposition to Serbia. "Viewed historically, the idea of autonomy has never been anti-Serbian," said Dr. Ranko Koncar.

Zivan Berisavljevic commented that "just as no one in Vojvodina should foster the illusion that it can be constituted outside the state of Serbia, except in extreme need, in the same way no one in geographical Serbia can have any illusions about the unity and strength of the Serbian state, as part of as wide a Yugoslavia as possible, if they do not agree to full autonomy for Vojvodina." Nenad Canak sees the reason for talking about autonomy, for hearing the voice of Vojvodina, as a way to "avoid joint responsibility with the national-fascist regime in Serbia," because if there had been true autonomy "Vojvodina would not have sent every third soldier into war, and Serbia every 11th soldier."

The participants in the Novi Sad discussion were inclined to say that Vojvodina autonomy does not exist today. According to Zivan Milisavac, it has never existed, historically or legally. Stanimir Lazic asserted that its position has never been appropriately resolved, while Aleksandar Jovicin contends that Vojvodina has pseudo-autonomy, which is very expensive, given its authorities. Milivoj Vujadinovic presented proof that the Serbian Constitution does not even establish a single legal right to the autonomy for Vojvodina, while Bosko Krunic emphasized that "one of the greatest political lies and deceptions that we remember was the one contained in the oft-repeated promise that the constitutional changes in 1990 would not change anything concerning the position of the provinces, including their subjectivity in the federation."

Economists Blako Kopilovic and Dr. Tomislav Nikolic added their perspective to all this. Kopilovic says that "where there is no market economy, there is no autonomy either," and according to Dr. Nikolic "while there is state ownership in Serbia, there is no autonomy." Dr. Nikolic says that privatization corresponds to autonomy, but under the current conditions the Serbian government is the biggest buyer. (According to figures presented by Dr. Nikolic, the Bozovic government is 30 billion dinars in debt, while the entire social and private economy is six billion, which is why the government is exerting pressure on Topcider.) In the assessment of that economist, the Vojvodina budget exists only as a category reduced to the position of how much is doled out to it, so that then the instruments are created to execute whatever the boss says. Nenad Canak was inclined to believe that under such conditions "money from Vojvodina is being used to appease social tensions in Serbia," while Petar Matic-Dule observed that the center of all disputes between the province and the republic has been revenues.

The Novi Sad discussion also provided some basic outlines for future Vojvodina autonomy. According to Dr. Bosko Kovacevic, efforts should be made "not to put makeup on the old lady, but rather to create a new Vojvodina." In his opinion, this region should have a structure that promotes peace, not formal and manifest, but rather one that would be in effect in every village, town, and city, so that people do not quarrel, do not hold grudges, do not seek revenge, and do not wage war. Nenad Canak advocates the idea of Vojvodina as a demilitarized province, a "buffer" between Serbia and Croatia.

For Bosko Krunic, autonomy makes sense only if the material basis of autonomy is authentic, if its normative activity is genuine, and if it is autonomous to the largest degree possible in terms of ethnic relations, just like the bodies of local self-rule. Bosko Kovacevic proposes that types of ethnic meetings and discussions be formed, without domination by political subjects, and that contact be established with international organizations and initiatives in order to work more seriously on exchanges, integration, and connections with the broader surroundings. Zivan Berisavljevic emphasizes that all ethnic groups in the territory of Vojvodina should enjoy full equality with the Serbian nation, and nationalities that are in this region, in his opinion, cannot improve their position without a common struggle for full Vojvodina autonomy, because that is the guarantee that all rights achieved will be preserved and that new ones will be realized.

Dr. Ranko Koncar recalled that between 1918 and 1929, the problem of Vojvodina autonomy was not brought up as a political question. It was only after 1929, when centralist rule was strengthened, that it was opened up as a political question. It was raised by the Serbian liberal bourgeoisie and bourgeois structures, the richer and middle-class strata and elite around the Matica Srpska organization. Today too, the movement for autonomy is growing stronger. Today's "autonomists" are opponents of the regime in Serbia, but clearly not opponents of Serbia itself, as well as those who oppose the vulgar destruction of its essence, "of its inherited rights, through a sort of personnel and political occupation and economic plunder" (Zivan Berisavljevic).

The word "fear" was also expressed during the Novi Sad discussion on autonomy, because, as Branislava Kostic noted, even this discussion will be used by some "to investigate renegades."